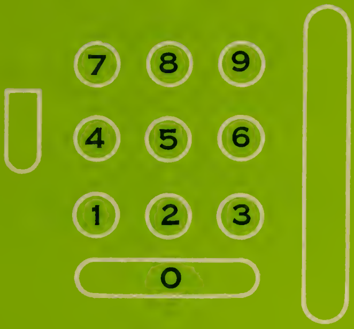

insurance facts

1972 edition

PROPERTY LIABILITY MARINE SURETY

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ACKNOWLEDGEMENT

This yearbook is intended to provide some basic facts relating to the property and liability insurance business for editors, writers, speakers, teachers, students and insurance people.

Inasmuch as the Insurance Information Institute does not have a statistical research staff, the helpful cooperation of other insurance organizations and of commercial publishers of insurance data has made this yearbook possible. To them we extend appreciative acknowledgement.

A special debt is owed to Alfred M. Best Company, Inc., for making available to us some of its compilations of insurance statistics.

Where still more detailed information about the property and liability business is desired, the Insurance Information Institute will be happy to provide it or to suggest possible other sources.

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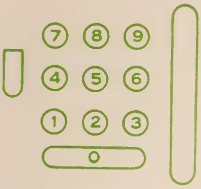

INSURANCE FACTS 1972

Selected Data of General Interest Relating to Property and Liability Insurance

This yearbook on property and liability insurance is published by the Insurance Information Institute, an insurance industry-sponsored public relations and educational organization. The Institute is supported directly or indirectly by several hundred property and liability insurance companies, both stock and mutual (see inside back cover for member company listing).

In addition, the Insurance Information Institute provides public relations services for many national, regional and state insurance organizations. These include the American Insurance Association, General Adjustment Bureau, Inland Marine Underwriters Association, Insurance Accounting and Statistical Association, Insurance Services Office, and the Metropolitan Chicago Loss Bureau.

Also, the National Automobile Theft Bureau, Surety Association of America, Texas Insurance Advisory Association, Underwriters Salvage Company of Chicago, Washington Insurance Council, various state assigned risk (or automobile insurance) plans and some Fair Access to Insurance Requirements (FAIR) plans.

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FOREWORD

The business of insurance in the United States is divided into three broad categories: life insurance, health insurance and property and liability insurance. Altogether it provides about 1,490,000 jobs and has responsibility for assets of more than $289 billion. But its greatest significance in the American economy is as an absorber of personal and business risks.

The property and liability segment of the insurance business is responsible for assets which at the end of 1971 totaled about $66 billion. It provides hundreds of forms of financial protection against virtually every known peril.

The business of property and liability insurance provides employment for an estimated 640,000 persons. About half of these are employes of insurance companies, and about half are agents and brokers and others engaged in agency or brokerage operations.

There are nearly 6,000 insurance companies domiciled in the U. S. Some of these companies sell all lines of insurance; many specialize in one or more fields. More than 2,700 companies sell some form of property and liability insurance, and related lines, including inland marine coverages and surety and fidelity bonds. A vast majority of the business is written by about 900 companies that operate in all or most states.

The property and liability insurance business plays a major role in keeping the American economy moving. Insurance coverages backstop the extensive commercial and consumer credit system of our nation. Further, surety bonds are required on almost all public works and commercial construction, to protect against loss in the event the contractor fails to fulfill his obligations.

In large part because of insurance coverages, the American businessman, the American home owner, the American housewife —in short, the American people—have more financial protection and a greater sense of security than any people anywhere have ever enjoyed in the history of the world.

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DIMENSIONS OF INSURANCE 1

PROPERTY-LIABILITY INSURANCE IN 1971: A REVIEW

A significant improvement in underwriting results produced a net underwriting gain of approximately $450 million for the property-liability insurance business in 1971. The results contrasted with substantial underwriting losses, after policyholder dividends, over a 15-year period ending with 1970.

Premium volume rose to an estimated $36 billion, up from $32.9 billion in 1970. The statutory underwriting gain for the industry totaled about $925 million, but dividends to policyholders of some $475 million reduced the gain from underwriting operations to $450 million.

Net income from investments approximated $2.15 billion.

The improved underwriting results were attributed in part to such factors as lower than usual losses from major hurricanes and other catastrophes, a turndown in the national economy, and continuing intensive efforts by insurance managements to improve operating efficiency.

Other major developments during 1971:

- Most state legislatures, as well as Congress, evidenced mounting interest in proposals to change from the traditional third-party lawsuit system of auto insurance to one based at least to some degree on the first-party system under which a person who suffers a loss is compensated by his own insurance company. The reported success of a "no-fault" auto insurance law which became effective in Massachusetts January 1, 1971, was seen as one of the factors that in 1971 led the legislatures of Delaware, Florida, Illinois and Oregon to adopt laws embodying, to some extent, the first-party concept. (The Illinois statute was declared unconstitutional before it took effect.) In 1972, forms of such laws were enacted in Connecticut and New Jersey, effective January 1, 1973.
- Dollar losses resulting from crimes against property continued to climb, with the Federal Bureau of Investigation recording increases of 6.1 per cent in losses resulting from robberies, 10 per cent from burglaries, and 11.3 per cent from larcenies ($50 and over). The increase in dollar losses from auto thefts was less than 1 per cent. Other sources in 1972 estimated the dollar cost of crime to business alone at almost $16 billion, including some $1.5 billion in cargo thefts and upwards of $2 billion in embezzlement losses.

- A federal crime insurance program, serviced by private insurance companies and agents, was activated in August, 1971, to make burglary and robbery insurance available to small business and individual homeowners and apartment dwellers in high-crime areas as a means of stemming the deterioration of business in those communities.
- FAIR (Fair Access to Insurance Requirements) Plans, established by the federal government and private insurers to make difficult-to-get insurance available to property owners in high risk areas, were expanded in 1971 to provide coverage for vandalism and malicious mischief, and in some states, crime insurance. At the end of 1971, companies taking part in the plans had issued well in excess of 1 million policies and were providing more than $23 billion of insurance coverage. As a result of insuring these risks, however, the companies through 1971 had suffered underwriting losses of some $80.5 million.
- The number of communities eligible for low-cost flood insurance under a government-industry program administered by the National Flood Insurers Association continued to swell, and by May 31, 1972, exceeded 1,200.
- Colorado and Nevada, effective January 1, 1972, joined 18 other states and the District of Columbia in operating with competitive rating laws which encourage greater price competition among insurers. The laws are based on the principle that competition is the best regulator of price, although they provide that rates must still meet tests prohibiting them from being excessive, inadequate or unfairly discriminatory.
- The consumer movement prompted intense government interest in product safety and focused attention on product liability and product recall insurance. Product liability lawsuits are approaching a half million a year and increasing rapidly.
- Economic losses from auto accidents increased to an all-time high estimated at $16.9 billion. Although traffic deaths dropped slightly—to 54,700 from the 1970 total of 54,800—increases were recorded in auto accidents and traffic injuries.
- Continuing to be leaders in the battle to cut the cost of accidents on the highway, insurance companies stepped up their studies of the damageability and repairability of autos and their support of additional state legislation which would establish minimum requirements for more crash-resistant bumpers. Some insurers began to grant premium discounts for bumpers which meet such standards.
- Fire losses in the U.S. totaled $2,245,835,000, exceeding $2 billion for the second time in history but nevertheless slightly lower than the record figure recorded in 1970.
- The year's most costly catastrophe was the Los Angeles earthquake of February 9, which caused an estimated insured loss of $31.6 million.

PROPERTY-LIABILITY INSURANCE COMPANIES BY STATE

Among 2,725 property and liability insurance companies in the United States, about 900 operate in all or most states and among them write a vast majority of the business. The other smaller companies perform vital insurance services limited to persons in sharply defined geographical areas or to persons who are members of specialized groups, such as farmers.

Home offices of the companies are scattered among 49 states—the exception is Nevada—and the District of Columbia.

The greatest number of companies have their home offices in Illinois—292. There are 233 insurance companies headquartered in Pennsylvania and 214 in New York.

The number of property and liability insurance company home offices in each state is listed below.

State	Home Offices	State	Home Offices
Alabama	18	Missouri	100
Alaska	1	Montana	3
Arizona	11	Nebraska	71
Arkansas	14	New Hampshire	21
California	85	New Jersey	33
Colorado	14	New Mexico	7
Connecticut	30	New York	214
Delaware	9	North Carolina	49
District of Columbia	14	North Dakota	38
Florida	29	Ohio	142
Georgia	23	Oklahoma	34
Hawaii	8	Oregon	9
Idaho	1	Pennsylvania	233
Illinois	292	Rhode Island	12
Indiana	95	South Carolina	27
Iowa	172	South Dakota	56
Kansas	38	Tennessee	13
Kentucky	35	Texas	140
Louisiana	8	Utah	4
Maine	29	Vermont	14
Maryland	23	Virginia	47
Massachusetts	49	Washington	19
Michigan	55	West Virginia	5
Minnesota	175	Wisconsin	199
Mississippi	4	Wyoming	3

Source: State Insurance Departments.

2

INSURANCE STATISTICS

NET PREMIUMS WRITTEN BY LINE

Total premiums written by insurance companies in 1971 in the U. S. for all types of insurance approximated $78.2 billion.

Purchases of property and liability insurance increased about 10 per cent in 1971. Net premiums written* by property and liability companies totaled about $36 billion in 1971.

Approximate premium totals for principal property, liability and allied lines of insurance in 1969, 1970 and 1971 are tabulated below. Not included are such categories as credit and international insurance and reinsurance, three lines which together produced premiums of more than $500 million in 1971.

Total Net Premiums Written 1969-1971

	1969	1970	1971
Auto Liability	$ 7,866,013,312	$ 8,958,243,000	$10,000,000,000
Auto Physical Damage	4,196,861,681	4,823,564,000	5,450,000,000
Total, All Automobile	$12,062,874,993	$13,781,807,000	$15,450,000,000
Liability (other than auto)	1,713,023,303	2,139,671,000	2,400,000,000
Fire Insurance, and Allied Lines	2,874,231,626	3,147,382,000	3,340,000,000
Homeowners Multiple Peril	2,320,026,195	2,564,561,000	2,800,000,000
Commercial Multiple Peril	1,113,386,499	1,331,439,000	1,650,000,000
Workmen's Compensation	3,199,743,855	3,492,307,000	3,675,000,000
Inland Marine	718,386,796	811,991,000	880,000,000
Ocean Marine	413,229,556	464,682,000	515,000,000
Surety and Fidelity	544,119,033	562,311,000	605,000,000
Burglary and Theft	127,476,966	135,320,000	135,000,000
Crop-Hail	126,756,000	124,891,000	129,823,000
Boiler and Machinery	114,016,873	115,278,000	122,500,000
Glass	41,240,368	40,455,000	40,000,000

---

* *Net premiums written represent premium income retained by insurance companies, direct or through reinsurance, less payments made for business reinsured.*

Sources: Best's Aggregates & Averages, U. S. Dept. of Agriculture (1971 figures are preliminary estimates).

NET PREMIUMS WRITTEN
1947-1971

Total net premiums written by property and liability companies for all lines, including accident and health, have risen from $5 billion in 1947 to an estimated $36 billion in 1971. While many insurance groups have transferred their accident and health writings from their property and liability affiliates to their life insurance affiliates, accident and health premiums accounted for about $1 billion of the 1971 total of premiums written by property and liability companies.

Total Net Premiums Written for All Lines of Property and Liability Insurance, 1947-1971 (000 omitted)

	Accident and Health	All Other	Total
1947	*		$ 5,112,927
1948	*		5,877,217
1949	*		6,356,176
1950	*		6,866,288
1951	$ 494,137	$ 7,280,595	7,774,732
1952	549,880	8,220,090	8,769,970
1953	650,556	9,021,980	9,672,536
1954	705,365	9,202,407	9,907,772
1955	803,947	9,735,379	10,539,326
1956	915,624	10,214,448	11,130,072
1957	1,038,140	11,058,160	12,096,300
1958	1,115,586	11,712,680	12,828,266
1959	1,244,673	12,839,687	14,084,360
1960	$1,357,600	$13,615,031	$14,972,631
1961	1,484,526	13,989,146	15,473,672
1962	1,628,825	14,405,364	16,034,189
1963	1,362,764	15,811,924	17,174,688
1964	1,520,603	16,796,029	18,316,632
1965	1,643,648	18,419,820	20,063,468
1966	1,659,145	20,430,912	22,090,057
1967	1,690,329	22,138,588	23,828,917
1968	1,778,903	24,247,133	26,026,036
1969	1,980,032	27,244,869	29,224,901
1970	1,908,841	30,958,185	32,867,026
1971	1,000,000	35,000,000	36,000,000

* *Prior to 1951 accident and health premiums were not reported separately.*

Source: Best's Aggregates & Averages (1971 figures are preliminary estimates).

WHO PAYS THE PREMIUM DOLLAR?

Buyers of business insurance accounted for approximately 55.1 per cent of the $35 billion in property and liability insurance premiums written in the United States in 1971. Direct commercial insurance premiums amounted to an estimated $19.3 billion with the heaviest concentrations in workmen's compensation, automotive fleet coverages, general liability and commercial multiple peril "package" policies. Business insurance purchasers also control a large share of the billions of dollars spent each year for group accident and health insurance. A comparison of the property and liability insurance premiums paid by commercial and individual insurance purchasers is shown below.

Commercial		Individual	
Work. Comp.	$ 3.68 billion	Automobile	$10.8 billion
Coml. Auto	4.64 billion	Homeowners	2.8 billion
Coml. M. P.	1.65 billion	Misc.	2.1 billion
Misc.	9.33 billion	Total	$15.7 billion
Total	$19.3 billion		

AUTOMOBILE INSURANCE

In the face of continually climbing medical, legal and auto repair costs, more and more of America's 106 million motorists are recognizing the prudence of purchasing automobile insurance to protect themselves against financial hardship resulting from auto accidents.

Automobile insurance, in fact, is the largest single classification of the property-liability business. The premium volume of approximately $15.45 billion recorded in 1971 was about 12 per cent higher than that of the previous year, and represented about 44 per cent of the total property-liability premium volume.

Premiums Written
1947-1971

Year	Auto Liability Insurance	Auto Physical Damage Insurance	
		Collision *	Fire, Theft & Comprehensive
1947	$ 897,020,000	$ 624,942,000	
1948	1,078,710,000	770,538,000	
1949	1,203,190,000	968,917,000	
1950	1,310,270,000	1,069,840,000	
1951	1,572,820,000	852,886,000	$ 413,374,000
1952	1,917,910,000	1,087,014,000	425,442,000
1953	2,257,440,000	1,203,498,000	449,805,000
1954	2,366,340,000	1,142,174,000	431,331,000
1955	2,495,020,000	1,239,941,000	487,770,000
1956	2,684,270,000	1,135,122,000	478,172,000
1957	3,003,290,000	1,204,441,000	544,553,000
1958	3,314,660,000	1,180,722,000	593,110,000
1959	3,681,700,000	1,284,980,000	670,217,000
1960	3,882,917,000	1,282,886,000	711,043,000
1961	4,022,762,000	1,251,518,000	712,967,000
1962	4,239,761,000	1,361,378,000	712,752,000
1963	4,526,801,000	1,469,528,000	842,988,000
1964	4,886,444,000	1,602,602,000	905,901,000
1965	5,423,674,000	1,849,073,000	1,011,746,000
1966	6,046,047,000	2,142,142,000	1,115,923,000
1967	6,564,938,000	2,289,172,000	1,168,657,000
1968	7,106,642,000	2,509,105,000	1,257,136,000
1969	7,866,013,000	2,805,146,000	1,391,715,000
1970	8,958,243,000	3,196,584,000	1,626,980,000
1971	10,000,000,000	3,600,000,000	1,850,000,000

* *Figures for years prior to 1951 are for all automobile physical damage insurance. Since that year, all companies have reported written physical damage premiums in the separate categories of collision and fire, theft and comprehensive.*

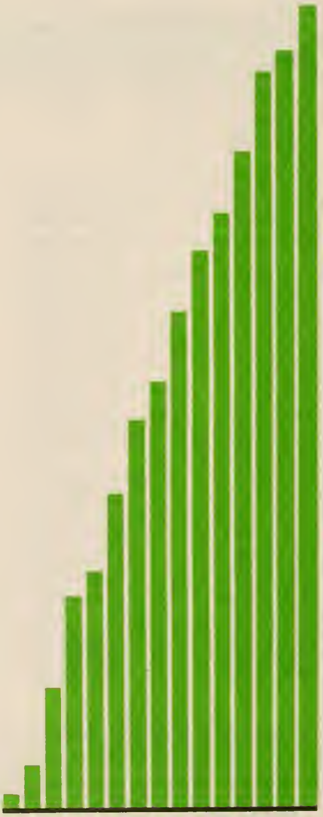
Source: Best's Aggregates & Averages (1971 figures are preliminary estimates).

MULTIPLE PERIL INSURANCE
I—HOMEOWNERS

Until the mid-1950's, few owners of homes and commercial properties carried adequate insurance to protect them against often severe financial losses resulting from predictable perils. While most homeowners bought fire insurance, as an example, a much smaller number purchased extended coverage or theft insurance and relatively few carried personal liability.

It was to help people more adequately safeguard their resources that the insurance industry developed the now-familiar homeowners and commercial "package" policies offering adequate coverage against a variety of perils at reasonable rates.

The rapid growth in popularity of the homeowners policy is illustrated by a jump in premium volume from $240.7 million in 1957 to an estimated $2.8 billion in 1971. The success of the package policies has had a pronounced effect on the amount of insurance written in recent years on such separate lines as fire and extended coverage, liability (other than auto), burglary and theft, inland marine, and glass. Because of the inclusion of such coverages in the package policies, the total premium volume for the separate lines has been relatively stable.



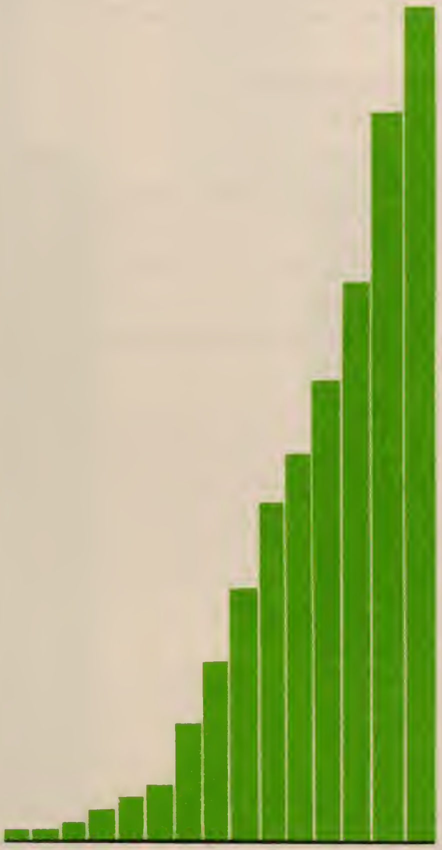
Premiums Written
1957-1971

1957	$ 240,680,000
1958	344,710,000
1959	522,604,000
1960	763,765,000
1961	833,873,000
1962	1,039,152,000
1963	1,229,854,000
1964	1,333,073,000
1965	1,523,204,000
1966	1,702,756,000
1967	1,838,719,000
1968	2,076,984,000
1969	2,320,026,000
1970	2,564,561,000
1971	2,800,000,000

Source: Best's Aggregates and Averages (1971 figure is preliminary estimate).

MULTIPLE-PERIL INSURANCE
II—COMMERCIAL

Paralleling the rapid growth of the homeowners policy for habitational risks has been a sharp increase in the use of the package policy for commercial risks. Premiums written for commercial package policies have climbed from $28.5 million in 1957 to an estimated $1.65 billion in 1971.



Premiums Written
1957-1971

1957	$ 28,459,000
1958	29,343,000
1959	37,873,000
1960	55,575,000
1961	81,728,000
1962	157,822,000
1963	263,023,000
1964	371,340,000
1965	508,993,000
1966	649,278,000
1967	778,036,000
1968	933,322,000
1969	1,113,386,000
1970	1,331,439,000
1971	1,650,000,000

Source: Best's Aggregates and Averages (1971 figure is preliminary estimate).

FIRE INSURANCE

Despite the availability of fire insurance coverage in the popular homeowners and commercial multiple peril policies*, fire insurance premium volume has mounted steadily during the last seven years. A 3 per cent increase in 1971 sent the volume to an estimated $2.265 billion, a new record for the fire line.

Written premiums for the extended coverage endorsement and allied fire lines have been combined due to a change in reporting procedures in 1971, and the previously separate totals for the two lines have been combined in the table below. While "aircraft all perils" premiums are no longer reported in the allied lines category, aircraft premiums approximating $160 million are included in the allied lines estimate for 1971 in the interest of continuity.

Premiums Written
1947-1971

Year	Fire	Allied Lines**
1947	$1,197,577,000	$302,804,000
1948	1,292,788,000	321,214,000
1949	1,328,391,000	345,357,000
1950	1,407,857,000	378,283,000
1951	1,503,579,000	453,762,000
1952	1,506,946,000	508,493,000
1953	1,534,379,000	547,807,000
1954	1,545,894,000	595,984,000
1955	1,560,549,000	677,381,000
1956	1,582,563,000	714,606,000
1957	1,593,996,000	712,460,000
1958	1,626,167,000	766,596,000
1959	1,709,257,000	779,583,000
1960	1,667,385,000	738,910,000
1961	1,619,076,000	709,530,000
1962	1,623,046,000	715,518,000
1963	1,571,957,000	698,697,000
1964	1,533,481,000	678,117,000
1965	1,548,139,000	667,254,000
1966	1,605,668,000	675,603,000
1967	1,681,963,000	704,604,000
1968	1,827,169,000	751,223,000
1969	2,017,465,000	856,766,000
1970	2,199,424,000	947,958,000
1971	2,265,000,000	1,075,000,000

** See also comment on page 12.*

*** Covers a wide variety of perils, including windstorm, riot, explosion, sprinkler leakage, water damage and earthquakes.*

Source: Best's Aggregates & Averages (1971 figures are preliminary estimates).

INLAND MARINE INSURANCE

Inland marine insurance, originally developed to cover goods in transit by other than ocean vessels, today covers such instruments of transportation as bridges and tunnels as well as personal effects, personal property, jewelry, furs, fine arts and many other properties.

In 1971, inland marine premium volume advanced to a new high of about $880 million despite continued diversion of personal property coverages to homeowners and other package forms.*

Premiums Written
1947-1971

1947	$176,363,000	1960	$380,919,000
1948	195,600,000	1961	394,567,000
1949	215,752,000	1962	413,878,000
1950	229,883,000	1963	429,423,000
1951	255,473,000	1964	454,505,000
1952	283,287,000	1965	489,104,000
1953	304,025,000	1966	520,134,000
1954	302,931,000	1967	570,512,000
1955	325,636,000	1968	629,055,000
1956	331,539,000	1969	718,387,000
1957	330,170,000	1970	811,991,000
1958	344,464,000	1971	880,000,000
1959	375,698,000		

**See also comment on page 12.*

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

OCEAN MARINE INSURANCE

The American ocean marine hull and cargo market has gradually expanded in volume and capacity. Its growth reflects not only greater international trade but the increase in ownership of pleasure craft along the coastal and inland waterways.

Premium volume for ocean marine insurance continued to climb in 1971, reaching an all-time peak of $515 million.

Premiums Written
1947-1971

1947	$180,082,000	1960	$230,429,000
1948	170,731,000	1961	229,537,000
1949	149,248,000	1962	237,085,000
1950	140,872,000	1963	245,655,000
1951	171,085,000	1964	248,129,000
1952	170,862,000	1965	261,737,000
1953	161,841,000	1966	295,236,000
1954	161,333,000	1967	324,209,000
1955	167,999,000	1968	360,180,000
1956	184,930,000	1969	413,230,000
1957	206,504,000	1970	464,682,000
1958	208,633,000	1971	515,000,000
1959	225,556,000		

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

BURGLARY & THEFT INSURANCE

The burglary lines include coverages for loss of property (including money and securities) due to burglary, robbery or larceny, and loss of money and securities due to destruction or disappearance. While these are fast-growing lines, the total premium volume has remained relatively stable because of the inclusion of these coverages in the package policies.*

Premiums Written
1947-1971

1947	$ 76,870,000	1960	$115,939,000
1948	81,120,000	1961	114,304,000
1949	84,510,000	1962	115,577,000
1950	82,890,000	1963	117,618,000
1951	92,300,000	1964	111,084,000
1952	92,410,000	1965	109,716,000
1953	95,130,000	1966	110,264,000
1954	101,950,000	1967	114,926,000
1955	102,680,000	1968	117,051,000
1956	106,980,000	1969	127,477,000
1957	114,300,000	1970	135,320,000
1958	108,990,000	1971	135,000,000
1959	116,500,000		

See also comment on page 12.

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

LIABILITY INSURANCE
(other than Auto)

Liability insurance (other than automobile) provides protection against claims arising from injuries to others, or damage to property of others, and for which the insured person is held responsible because of ownership of property, manufacturing or contracting operation, sale or distribution of products, the operation of elevators and the like, as well as professional services.

Premiums written for miscellaneous bodily injury and property damage liability insurance amounted to approximately $2.4 billion in 1971, up 12 per cent over the preceding year. Much of this coverage today is provided under package policies.*

Premiums Written
1947-1971

1947	$240,528,000	1960	$ 962,831,000
1948	264,935,000	1961	1,022,927,000
1949	287,157,000	1962	1,058,871,000
1950	307,065,000	1963	1,090,851,000
1951	361,974,000	1964	1,110,758,000
1952	420,897,000	1965	1,136,745,000
1953	510,561,000	1966	1,205,262,000
1954	571,722,000	1967	1,326,405,000
1955	607,596,000	1968	1,461,991,000
1956	669,560,000	1969	1,713,023,000
1957	726,490,000	1970	2,139,671,000
1958	775,411,000	1971	2,400,000,000
1959	862,131,000		

* *See also comment on page 12.*

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

GLASS INSURANCE

Architectural demands, merchandising trends and decorative constructional functions have contributed to an ever-increasing use of glass, and an ever-increasing need for glass insurance. Nevertheless, premiums for this line have remained relatively stable in recent years because of the inclusion of glass coverage in many of the popular multiple peril package policies.* A change in the mid-1950's to writing glass insurance policies for three-year terms resulted in three-year peaks in premium figures since that time.

Glass insurance is unique in that losses are generally adjusted on a replacement basis, although the company does reserve the right to pay for the loss in money. There are added advantages to policyholders in having glass replaced by the insurers. Insurers usually can secure the services of glaziers more quickly, and can purchase glass and glazing services more economically than an individual owner.

Premiums Written
1947-1971

1947	$21,520,000
1948	24,030,000
1949	29,000,000
1950	31,170,000
1951	33,420,000
1952	34,910,000
1953	36,700,000
1954	37,260,000
1955	37,460,000
1956	38,570,000
1957	45,430,000
1958	38,560,000
1959	40,100,000
1960	47,740,000
1961	42,705,000
1962	42,261,000
1963	44,786,000
1964	41,927,000
1965	41,207,000
1966	42,360,000
1967	40,128,000
1968	39,114,000
1969	41,240,000
1970	40,455,000
1971	40,000,000

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* *See also comment on page 12.*

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

WORKMEN'S COMPENSATION INSURANCE

Workmen's compensation insurance is designed to provide for the cost of medical care and weekly payments to injured employes or to dependents of persons killed in industry in work-connected accidents, regardless of blame. The scope of this coverage has broadened considerably in recent years, in part because of liberal interpretations of its application. In 1971, the premium volume reached a new high of $3.675 billion.

	Premiums Written 1947-1971
1947	$ 643,360,000
1948	731,890,000
1949	718,290,000
1950	697,270,000
1951	817,380,000
1952	917,870,000
1953	1,011,140,000
1954	1,016,490,000
1955	1,035,450,000
1956	1,110,740,000
1957	1,199,470,000
1958	1,209,400,000
1959	1,297,000,000
1960	1,419,362,000
1961	1,484,010,000
1962	1,603,940,000
1963	1,725,158,000
1964	1,868,411,000
1965	2,042,232,000
1966	2,347,829,000
1967	2,601,627,000
1968	2,890,873,000
1969	3,199,744,000
1970	3,492,307,000
1971	3,675,000,000

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

BOILER & MACHINERY INSURANCE

This is a specialized line covering a wide variety of power-producing equipment. Insurance companies place considerable emphasis on inspection and engineering techniques in the interests of safety. The growth of automation in industrial processes and the increased size and sophistication of production facilities have heightened the need for loss-preventive services.

Premium production figures fluctuate primarily because many boiler and machinery insurance contracts are written on a three-year basis.

Premiums Written
1947-1971

1947	$33,810,000	1960	$ 85,080,000
1948	36,980,000	1961	86,397,000
1949	34,640,000	1962	70,082,000
1950	46,890,000	1963	91,177,000
1951	57,410,000	1964	102,625,000
1952	47,680,000	1965	90,508,000
1953	61,980,000	1966	91,090,000
1954	66,020,000	1967	105,808,000
1955	59,980,000	1968	99,125,000
1956	66,280,000	1969	114,017,000
1957	69,990,000	1970	115,278,000
1958	73,650,000	1971	122,500,000
1959	78,000,000		

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

CROP-HAIL INSURANCE

Hail storms occur most frequently in the great plains states, often destroying hundreds of thousands—even millions—of dollars worth of crops. Crops are insured against hail damage in every state. Leading the list in 1971, in order by premiums written, were Iowa, Illinois, North Dakota, Nebraska, Minnesota, North Carolina, Kansas, South Dakota and Texas.

Premiums written for crop-hail coverage by both insurance companies and state hail funds are tallied below.

Premiums Written
1947-1971

1947	$ 58,442,000	1960	$103,021,000
1948	53,732,000	1961	96,775,000
1949	55,186,000	1962	108,970,000
1950	40,057,000	1963	111,223,000
1951	53,874,000	1964	112,527,000
1952	65,539,000	1965	116,960,000
1953	69,389,000	1966	114,955,000
1954	72,575,000	1967	124,623,000
1955	77,242,000	1968	128,610,000
1956	78,095,000	1969	126,756,000
1957	95,368,000	1970	124,891,000
1958	103,754,000	1971	129,823,000
1959	98,727,000		

Source: United States Department of Agriculture (1970 and 1971 figures are preliminary estimates).

SURETY BONDS

Surety bonds—including contract, license and permit, court and fiduciary bonds—provide for monetary compensation should there be a failure to perform certain acts within a stated period, such as the failure of a contractor to fulfill his obligations. Surety bond premiums continued an upward trend in 1971, reaching a total of $420 million.

Premiums Written
1947-1971

1947	$ 64,160,000	1960	$197,692,000
1948	82,810,000	1961	217,137,000
1949	93,580,000	1962	229,845,000
1950	107,990,000	1963	247,389,000
1951	120,290,000	1964	261,859,000
1952	126,180,000	1965	289,247,000
1953	136,760,000	1966	311,217,000
1954	142,470,000	1967	322,201,000
1955	151,810,000	1968	343,088,000
1956	160,480,000	1969	366,615,000
1957	170,380,000	1970	385,890,000
1958	189,030,000	1971	420,000,000
1959	186,000,000		

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

FIDELITY BONDS

Fidelity bond premium volume, including mercantile and financial institution fidelity coverage, totaled about $185 million in 1971. While this is an impressive figure, it is over-shadowed by the potentials of this line of business, since only about 15 to 20 per cent of business firms protect themselves with fidelity bonds against losses caused by dishonest or fraudulent acts of employees. Three-year premium cycles are characteristic of the fidelity business because it is written on a three-year basis.

Premiums Written
1947-1971

1947	$43,210,000	1960	$114,757,000
1948	67,560,000	1961	110,229,000
1949	52,460,000	1962	108,572,000
1950	48,510,000	1963	136,803,000
1951	75,650,000	1964	129,947,000
1952	65,900,000	1965	119,140,000
1953	67,070,000	1966	136,386,000
1954	86,340,000	1967	136,378,000
1955	78,640,000	1968	140,689,000
1956	76,930,000	1969	177,504,000
1957	97,570,000	1970	176,421,000
1958	90,600,000	1971	185,000,000
1959	92,800,000		

Source: Best's Aggregates & Averages (1971 figure is preliminary estimate).

DIRECT WRITTEN PREMIUMS BY STATE

Data compiled by Alfred M. Best Company provided the basis for the following breakdown of premiums by state for selected lines of insurance. The totals differ slightly from the premium totals shown elsewhere in Insurance Facts because the tabulations presented here are based on *direct* premiums written and those used elsewhere are based on *net* premiums written. *Direct written premiums* are the amounts actually paid by the policyholders. *Net written premiums* reflect additionally exchanges of premiums among insurance companies which contract, through a process known as reinsurance, to absorb specified portions of each other's losses.

These data were compiled from reports of companies that write approximately 98 per cent of all property and liability insurance in the United States. Automobile liability premiums combine bodily injury and property damage liability totals. Workmen's compensation premiums exclude the premiums written by 18 state workmen's compensation insurance funds.

Direct Written Premiums, Selected Lines—1971
(000 omitted)

State	Automobile Liability	Automobile Physical Damage	Homeowners	Commercial Multi-Peril	Workmen's Compensation	Total All Lines**
Ala.	$ 112,238	$ 88,032	$ 38,637	$ 17,754	$ 32,730	$ 390,196
Alaska	14,238	10,041	5,106	5,284	13,747	70,581
Ariz.	100,797	59,800	30,503	18,725	36,057*	320,217
Ark.	69,880	53,265	25,254	9,413	37,442	268,922
Calif.	1,285,055	673,860	309,889	225,596	517,387*	4,034,020
Colo.	100,053	71,873	36,056	24,010	19,276*	332,800
Conn.	209,989	87,912	66,479	40,341	70,424	627,788
Del.	23,732	15,377	8,127	4,824	9,704	92,368
D.C.	32,335	20,079	5,054	9,749	17,385	148,514
Fla.	394,372	188,130	117,187	73,247	171,230	1,255,646
Ga.	186,197	130,854	61,965	41,461	59,222	645,566

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*Does not include state fund premiums.

**Totals exceed sums of other amounts, which are shown for selected lines only.

Direct written premiums by state, (continued).

State	Automobile Liability	Automobile Physical Damage	Homeowners	Commercial Multi-Peril	Workmen's Compensation	Total All Lines**
Hawaii	52,281	21,201	8,254	94	24,159	147,451
Idaho	30,649	24,880	7,650	5,444	10,074*	113,816
Ill.	623,396	317,229	169,005	128,166	208,297	2,109,985
Ind.	235,388	166,734	97,736	56,499	62,678	820,110
Iowa	123,113	80,309	40,847	22,315	32,949	441,136
Kan.	92,225	70,783	45,823	17,506	30,344	356,546
Ky.	120,796	70,911	41,659	20,817	58,988	427,689
La.	159,697	89,414	55,175	16,070	102,360	607,724
Me.	42,553	27,063	16,365	7,349	14,569	146,783
Md.	226,360	103,132	43,010	30,243	75,180*	610,636
Mass.	366,157	186,000	139,901	65,403	175,094	1,195,691
Mich.	497,851	274,271	159,472	87,703	231,528*	1,618,900
Minn.	218,122	100,305	68,888	40,887	87,314	720,351
Miss.	71,096	57,481	6,363	5,891	28,385	273,180
Mo.	233,655	147,827	61,991	30,036	64,884	767,162
Mont.	26,544	22,837	10,861	6,329	7,990*	108,597
Neb.	66,645	45,574	22,967	13,007	19,763	258,155
Nev.	26,318	19,704	10,417	9,473	80*	92,333
N.H.	41,454	21,240	17,068	7,384	13,876	134,505
N.J.	514,085	226,690	114,815	77,697	276,833	1,591,740
N.M.	36,630	30,311	13,046	6,724	17,548	139,547
N.Y.	1,163,771	499,967	283,413	241,461	393,993*	3,914,369
N.C.	230,068	119,193	52,179	24,310	57,173	628,465
N.D.	22,219	17,290	7,220	4,775	153*	86,879
Ohio	544,278	306,835	156,121	97,375	1,548*	1,572,836
Okla.	103,077	75,307	53,444	18,880	40,453*	388,299
Ore.	114,485	64,005	23,668	2,630	37,955*	362,055
Pa.	579,709	294,340	125,855	91,150	142,349*	1,729,255
R.I.	50,143	25,425	16,735	9,324	19,845	157,650
S.C.	113,605	61,902	33,664	13,461	31,794	333,574
S.D.	22,936	49,255	8,344	4,402	5,805	91,358
Tenn.	179,610	93,785	47,583	30,182	67,444	567,313
Tex.	503,817	349,647	135,351	5,053	286,384	1,838,139
Utah	41,798	28,698	9,208	7,143	3,220*	120,124
Vt.	21,703	14,151	10,195	5,040	7,853	81,184
Va.	229,667	114,693	41,919	26,337	49,937	589,139
Wash.	169,347	89,782	49,157	25,961	4,153*	500,623
W.Va.	62,095	42,241	14,182	8,541	562*	178,420
Wis.	216,112	100,184	54,582	30,989	71,042	664,048
Wyo.	12,406	12,773	4,467	2,472	110*	46,035
Total	$10,714,749	$5,832,593	$2,982,857	$1,774,927	$3,749,273	$34,718,420

**Does not include state fund premiums.*

***Totals exceed sums of other amounts, which are shown for selected lines only.*

Source: Best's Executive Data Service.

FAIR PLAN INSURANCE

Many billions of dollars of insurance coverage for property owners in the nation's deteriorated inner cities and other high-risk areas are being provided by Fair Access to Insurance Requirements (FAIR) Plans operating in 26 states, the District of Columbia and Puerto Rico. From the start of operations in 1968 through the end of 1971, the Plans had issued 1,086,105 original and over 520,000 renewal policies, and at the end of 1971 were providing more than $23 billion of insurance coverage.

Through FAIR Plans, store owners and residents in high-risk areas can get insurance formerly difficult if not impossible to obtain because their property was abnormally exposed to threatening hazards over which they had no control. As a result of insuring these risks, the insurance companies in the FAIR Plans through the end of 1971 had suffered aggregate underwriting losses totaling $80.5 million.

Additional information, including the names and addresses of the various FAIR Plans, may be found on page 68.

INSURANCE PROVIDED BY FAIR PLANS

Start of operations in 1968 through 1971

State	Original Applications Received	Binders or Policies Issued		Insurance in Force (000 omitted)
		Original	Renewal	
California	120,697	84,134	47,528	$ 2,659,261
Connecticut	18,360	16,944	12,954	350,000
Delaware	8,255	5,152	2,438	67,674
District of Columbia	31,377	26,833	23,373	363,890
Georgia	6,020	3,395	707	250,000

State	Original Applications Received	Binders or Policies Issued		Insurance in Force (000 omitted)
		Original	Renewal	
Illinois	88,964	67,002	30,047	$ 1,486,555
Indiana	5,530	3,593	2,006	N.A.
Iowa	4,429	1,912	924	88,335
Kansas	5,954	4,369	1,302	52,213
Kentucky	10,528	8,681	5,239	138,952
Louisiana	5,261	2,680	1,692	466,769
Maryland	78,233	90,065	45,855	632,998
Massachusetts	67,005	54,451	30,810	1,001,000
Michigan	141,290	119,936	67,463	1,774,046
Minnesota	6,589	4,253	2,874	79,295
Missouri	55,618	42,926	24,052	634,927
New Jersey	105,850	111,330	N.A.	1,897,610
New Mexico	963	305	58	10,586
New York	375,564	304,990	140,736	8,144,662
North Carolina	11,262	9,190	4,941	114,013
Ohio	30,602	20,086	17,495	469,404
Oregon	754	434	57	8,101
Pennsylvania	103,923	63,744	32,117	1,337,007
Puerto Rico	1,530	338	275	92,535
Rhode Island	13,363	8,479	4,694	212,000
Virginia	22,465	16,220	10,288	342,241
Washington	5,631	3,820	1,858	96,071
Wisconsin	17,351	10,843	8,060	186,689
Totals	1,343,368	1,086,105	519,843*	$22,956,834*

* *Total incomplete because data from one plan not available.*
N.A.—Not Available.

Source: Insurance Services Office.

FLOOD INSURANCE IN THE U. S.

Low-cost flood insurance, long generally unavailable to property owners, is available widely today under a program developed jointly in 1968 by the insurance industry—represented by the National Flood Insurers Association—and the Federal Insurance Administration. So that its citizens may qualify for the coverage, a community must be declared eligible for participation by the federal government, and must pledge to set certain construction standards and to adopt and enforce land use measures designed to guide future development away from flood-prone areas.

Through May 31, 1972, according to the National Flood Insurers Association, some 1,201 communities in 50 states and Puerto Rico had qualified for the coverage. A reported 92,590 policies had been sold, to provide an aggregate of more than $1.48 billion of insurance in force.

Nevertheless, in the wake of the catastrophic floods which devastated Rapid City, S.D., early in June, 1972, and submerged much of the eastern seaboard later in the same month, FIA officials expressed grave concern that (1) many communities had failed to develop the required flood control plans—with the result that some were threatened with disqualification from the flood insurance program—and that (2) even more importantly, relatively few property owners had taken advantage of the financial protection available through the purchase of flood insurance despite widespread sales promotional efforts by insurance companies and agents and the FIA. In Rapid City, for example, only 29 policies were in force when the flood hit; in Pennsylvania, the count was 683; New York, 2,046; Connecticut, 115. Within a few days after Hurricane "Agnes" had finished laying down her path of tragedy, the FIA announced a 40 per cent reduction in premiums in the hope of persuading more property owners to buy the coverage. As a typical result, the FIA pointed out, $10,000 worth of flood insurance on a residential building became available for $25 a year, as contrasted with the previous annual premium of $40.

FLOOD INSURANCE IN THE U.S.*

		Policies in Force			Insurance in Force (000 omitted)		
State	No. of Communities	Dwelling	Business and Other	Total	Dwelling	Business and Other	Total**
Ala.	9	756	154	910	$ 10,271	$ 2,015	$ 12,289
Alaska	12	2,093	238	2,331	35,791	4,080	39,875
Ariz.	15	184	21	205	2,506	224	2,731
Ark.	6	10	72	82	133	818	951
Calif.	116	2,942	375	3,317	52,141	3,856	55,999

**As of May 31, 1972.*

***Inconsistencies in totals are due to rounding of figures.*

Flood Insurance in the U.S. (Continued)*

		Policies in Force			Insurance in Force (000 omitted)		
State	**No. of Communities**	**Dwelling**	**Business and Other**	**Total**	**Dwelling**	**Business and Other**	**Total****
Colo.	19	203	392	595	$ 2,817	$ 7,187	$ 10,007
Conn	21	103	12	115	1,843	154	1,997
Del.	9	588	26	614	10,517	433	10,952
D.C.	None						
Fla.	118	18,928	2,280	21,208	320,468	36,284	356,756
Ga.	17	477	34	511	6,447	433	6,883
Hawaii	5	889	140	1,029	14,658	1,696	16,356
Idaho	1	2	0	2	52	0	52
Ill.	12	60	18	78	610	266	877
Ind.	20	73	13	86	780	155	936
Iowa	16	166	35	201	1,674	379	2,054
Kan.	7	84	21	105	924	213	1,138
Ky.	14	634	224	858	6,601	2,518	9,122
La.	20	15,667	778	16,445	249,348	10,380	259,731
Me.	1	5	5	10	62	35	97
Md.	10	550	143	693	11,699	2,695	14,395
Mass.	38	1,562	119	1,681	21,821	1,587	23,410
Mich.	4	14	1	15	141	35	176
Minn.	35	351	60	411	3,910	891	4,804
Miss.	16	3,595	305	3,900	58,367	5,776	64,146
Mo.	36	152	76	228	1,649	885	2,536
Mont.	1	0	0	0	0	0	0
Neb.	4	27	8	35	341	177	518
Nev.	1	2	0	2	35	0	35
N.H.	2	9	8	17	75	78	153
N.J.	144	8,334	925	9,259	179,557	13,503	193,063
N.M.	1	6	14	20	53	158	213
N.Y.	26	1,965	81	2,046	41,852	1,802	43,657
N.C.	17	843	76	919	14,894	1,547	16,441
N.D.	9	1,211	57	1,268	9,539	546	10,087
Ohio	12	180	30	210	2,376	507	2,885
Okla.	9	288	19	307	4,827	211	5,039
Ore.	21	972	174	1,146	13,785	2,108	15,895
Pa.	84	524	159	683	6,646	2,008	8,654
P.R.	1	184	142	326	1,977	894	2,872
R.I.	22	1,572	332	1,904	23,415	5,463	28,882
S.C.	16	1,808	138	1,946	32,723	2,633	35,357
S.D.	2	27	2	29	334	40	374
Tenn.	32	29	93	122	382	1,235	1,618
Tex.	107	13,372	1,855	15,227	175,495	23,156	198,655
Utah	1	0	0	0	0	0	0
Vt.	5	0	0	0	0	0	0
Va.	20	534	135	669	10,797	2,807	13,606
Wash.	9	54	1	55	697	23	720
W.Va.	7	316	121	437	3,267	1,173	4,441
Wis.	70	254	75	329	2,369	725	3,096
Wyo	1	3	1	4	57	2	60
Countrywide	1,201	82,602	9,988	92,590	$1,340,723	$143,791	$1,484,621

**As of May 31, 1972.*

***Inconsistencies in totals are due to rounding of figures.*

Source: National Flood Insurers Association.

ASSETS AND SURPLUS

An idea of the strength and reliability of the property and liability companies may be gained from a review of their assets and policyholders' surplus.

Assets of property and liability insurance companies in the United States at the end of 1971 amounted to about $66 billion, an increase of about $7.4 billion in one year. Most of these assets are invested in government, transportation and utility bonds, high grade stocks and, to some extent, in the real estate which the companies use for their own offices.

Policyholders' surplus, totaling about $21.5 billion, is the sum of paid-in capital (if any) and net reported surplus, plus any special voluntary reserves. In other words, policyholders' surplus is the difference between assets and liabilities.

Assets and Policyholders' Surplus
1947-1971

	Assets	Policyholders' Surplus
1947	$ 9,407,587,538	$ 3,636,104,266
1948	10,529,572,033	3,897,349,408
1949	12,100,009,682	4,720,401,298
1950	13,475,873,231	5,330,539,454
1951	14,755,738,356	5,739,022,690
1952	16,396,982,856	6,245,594,709
1953	17,872,242,938	6,573,167,512
1954	20,416,474,686	8,391,745,213
1955	22,304,574,053	9,461,461,288
1956	23,105,999,312	9,606,823,494
1957	23,448,699,858	8,859,054,957
1958	26,308,586,493	10,678,793,572
1959	28,601,876,057	11,632,988,742
1960	30,132,406,146	11,929,916,532
1961	33,690,107,050	14,594,277,025
1962	34,216,778,301	14,143,661,471
1963	37,076,168,470	15,747,425,498
1964	39,864,789,714	16,990,160,905
1965	41,842,855,546	17,111,905,675
1966	42,288,391,548	15,556,228,227
1967	46,561,650,223	17,500,514,573
1968	51,225,612,595	19,106,998,848
1969	52,368,770,719	16,719,316,875
1970	58,593,659,921	18,520,912,881
1971	66,000,000,000	21,500,000,000

Source: Best's Aggregates & Averages (1971 figures are preliminary estimates).

PREMIUM TAXES

Insurance carriers—including life, health and property-liability companies—paid more than $1.34 billion in premium taxes to 50 states in 1971—an increase of nearly $162 million over the 1970 total. Approximately 44 per cent of this amount was paid by property-liability companies.

Premium taxes are actually taxes on gross income, since there are no deductions for losses and expenses. Additional payments were made to states for licenses and fees, property taxes, sales and use taxes, unemployment .compensation taxes, and in a few states, income and franchise taxes.

Premium Taxes by States
1971

Alabama	$ 23,146,000
Alaska	3,018,000
Arizona	10,970,000
Arkansas	9,692,000
California	151,724,000
Colorado	16,680,000
Connecticut	60,450,000
Delaware	5,051,000
Florida	47,317,000
Georgia	24,482,000
Hawaii	7,317,000
Idaho	4,974,000
Illinois	48,231,000
Indiana	29,714,000
Iowa	17,210,000
Kansas	11,937,000
Kentucky	22,474,000
Louisiana	24,558,000
Maine	4,717,000
Maryland	24,152,000
Massachusetts	46,216,000
Michigan	72,805,000
Minnesota	29,530,000
Mississippi	13,696,000
Missouri	26,303,000
Montana	$ 5,019,000
Nebraska	8,277,000
Nevada	3,271,000
New Hampshire	4,571,000
New Jersey	44,135,000
New Mexico	6,455,000
New York	143,989,000
North Carolina	31,912,000
North Dakota	3,207,000
Ohio	58,443,000
Oklahoma	22,000,000
Oregon	9,738,000
Pennsylvania	63,007,000
Rhode Island	7,650,000
South Carolina	14,757,000
South Dakota	4,080,000
Tennessee	24,043,000
Texas	62,501,000
Utah	5,548,000
Vermont	2,592,000
Virginia	29,636,000
Washington	17,860,000
West Virginia	11,449,000
Wisconsin	21,199,000
Wyoming	2,237,000

Source: U. S. Bureau of Census, Department of Commerce (figures are preliminary estimates).

FACTS ABOUT LOSSES 3

A SUMMARY OF LOSSES

Natural and man-made perils—such as fire, windstorms, accidents on and off the highways, crime and riots—take a steadily increasing toll of life and property, with a staggering economic loss to the nation. Most of these losses have a direct impact on insurance claims—and an indirect impact on insurance rates.

FIRE LOSSES

Every day, nearly 7,000 fires occur in the United States. Every 46 seconds, on the average, fire breaks out in a home. Every 43 minutes, fire claims a life.

In 1971, fire losses in the United States totaled $2,245,835,000, not counting losses from aircraft, motor vehicles, forest and other non-building fires. Fourteen fires causing damage of $3 million or more each occurred during the year.

Fires in homes account for almost 70 per cent of the nation's building fires and about 32 per cent of the dollar fire losses.

Faulty wiring and electrical equipment edged out heating and cooking related reasons as the leading cause of building fires in 1971. Between them, they were blamed for nearly 35 per cent of all building fires of known causes.

ACCIDENT LOSSES

Accidents, the fourth leading cause of death, claimed the lives of approximately 115,000 persons in the United States in 1971. Only heart disease, cancer and strokes take more lives.

Injuries from accidents of all kinds numbered an estimated 11.2 million in 1971.

AUTOMOBILE ACCIDENTS

Traffic fatalities in the United States declined slightly in 1971, to 54,700 from the 1970 toll of 54,800. However, slight increases in the numbers of accidents (22.1 million to 22.65 million) and injuries (4.98 million to 4.99 million), together with the rising costs of auto repairs and medical care helped push the estimated dollar cost of highway accidents to an all-time high of almost $16.9 billion.

About 91 per cent of all traffic accidents in 1971 were reported to involve improper driving. Speeding was listed as a factor in about 33.5 per cent of all fatal accidents, and about 50 per cent of the fatal accidents involved drinking drivers.

Although only 21.6 per cent of the nation's motoring population is under age 25, drivers age 24 and younger were involved in 35 per cent of all reported accidents and 33.8 per cent of fatal accidents in the United States in 1971.

OTHER ACCIDENTS

Accidents in the home accounted for 27,500 deaths in 1971, slightly more than in the previous year. Accidents at work took about 14,200 lives, but the number of fatalities per 100,000 workers reached an all-time low of 18. The number of work injuries increased by about 100,000 to an estimated 2.3 million.

Accidents involving commercial or private aircraft killed an estimated 1,525 persons in 1971, 125 more than in 1970.

CRIME LOSSES

The nation's overall crime index rose by about 6 per cent in 1971. Crimes against property showed a 7 per cent increase, with robbery up 11 per cent, burglary up 9 per cent, larceny up 7 per cent and auto theft up 2 per cent.

MISCELLANEOUS

Thirty-one times during 1971, wind or hail storms struck areas of the United States causing property damage in excess of $1 million. Tropical storm Doria, which struck the Atlantic coastal states in August, caused insured losses estimated at $13.5 million, while a series of tornadoes, wind and hail storms did an estimated $13 million in insured damage in nine central and southern states in May.

The year's most costly catastrophe from an insurance standpoint was the earthquake and resulting fires which struck Los Angeles County in February and caused insured damage of approximately $31.6 million.

FIRE LOSSES

Although fire losses in the United States exceeded $2 billion for the second time in 1971, they showed a decrease from the previous year for the first time since 1964. While the dollar loss has risen steadily over the years, the ratio of losses to the aggregate value of property subject to such losses actually has been declining for many years as a result of countrywide fire prevention efforts.

U. S. Fire Losses *
1875-1971

Year	Property Loss	Year	Property Loss
1875	$ 78,102,285	1960	$1,107,824,000
1880	74,643,400	1965	1,455,631,000
1890	108,993,792	1966	1,496,755,000
1900	160,929,805	1967	1,706,717,000
1910	214,003,300	1968	1,829,922,000
1920	447,886,677	1969	1,952,022,000
1930	501,980,624	1970	2,263,918,000
1940	285,878,697	1971	2,245,835,000
1950	648,909,000		

* *These estimated loss figures include allowances for uninsured and unreported losses but exclude losses to government property and forests.*

Source: Insurance Services Office.

TOTAL MONTHLY FIRE LOSSES *

Monthly fire losses in the United States in 1971 ranged from a low of $156,500,000 in November to a high of $221,542,000 in March.

Month	1969	1970	1971
January	$ 179,470,000	$ 184,028,000	$ 200,655,000
February	149,117,000	206,892,000	202,257,000
March	173,913,000	196,679,000	221,542,000
April	169,907,000	188,467,000	194,022,000
May	157,522,000	186,944,000	195,496,000
June	164,569,000	177,673,000	189,436,000
July	148,208,000	177,854,000	175,359,000
August	172,137,000	200,930,000	186,600,000
September	154,892,000	176,279,000	177,700,000
October	156,539,000	185,671,000	162,568,000
November	146,318,000	158,486,000	156,500,000
December	179,430,000	224,025,000	183,700,000
Total	**$1,952,022,000**	**$2,263,918,000**	**$2,245,835,000**

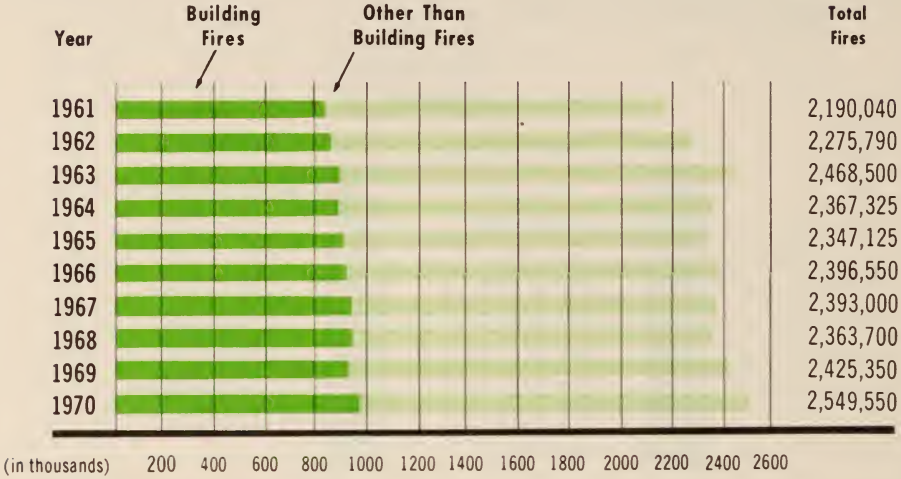
* *These estimated loss figures include allowances for uninsured and unreported losses but exclude losses to government property and forests.*

Source: Insurance Services Office.

FIRE TRENDS

The number of fires in the United States passed the 2.5 million mark for the first time in 1970. The total of 2,549,550 was more than 124,000 higher than the 1969 figure. There were an estimated 992,000 building fires and 1,557,550 non-building fires.

1961-1970 *



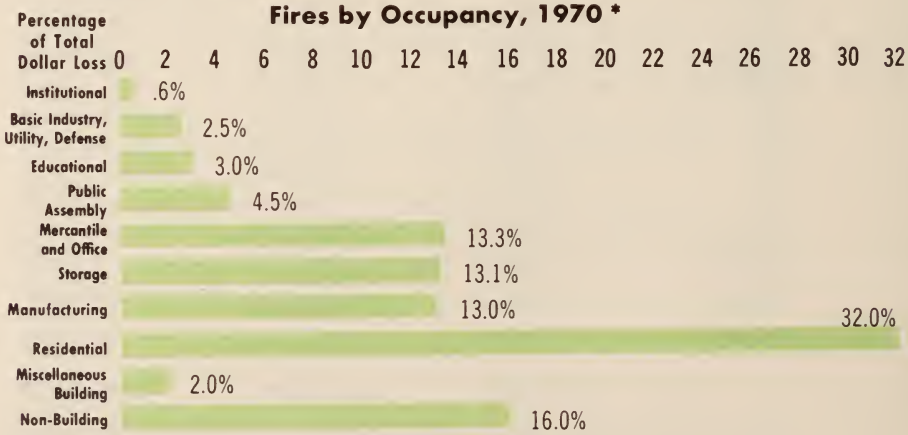
**1971 information not available.*

Source: National Fire Protection Association estimates.

FIRES BY OCCUPANCY

Almost one-third of all damage caused by fires in the United States during 1970 occurred in residences. Non-building fires, such as forest and rubbish fires, caused about 16 per cent of the damage although there were 565,000 more of such fires than building fires.

Fires by Occupancy, 1970 *



**1971 information not available.*

Source: National Fire Protection Association estimates.

LEADING CAUSES OF FIRE

Faulty wiring and electrical equipment displaced heating and cooking related causes in 1970 as the leading cause of building fires in the United States. The percentage of such fires attributed to smoking and matches, which prior to 1969 had long been identified as the leading cause, dropped to a new low of 12.9 per cent.

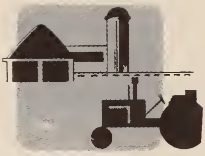
Causes of Building Fires, 1970 *

Causes of Ignition	Number of Fires Sub-Total	Total	Per Cent**
Electrical		145,700	17.6
Wiring and general equipment	89,500		
Power-consuming appliances, motors	56,200		
Heating and Cooking		142,900	17.2
Equipment, defective or overheated	79,600		
Chimneys, flues defective or overheated	20,300		
Hot ashes and coals	7,200		
Combustibles near heaters	35,800		
Smoking and Matches		107,200	12.9
Open Flames and Sparks		67,200	8.1
Sparks on roof	5,000		
Welding and cutting	8,800		
Sparks from machinery, friction	14,700		
Thawing pipes	5,200		
Miscellaneous open flames and sparks	33,500		
Incendiary, Suspicious		65,300	7.9
Children and Matches		63,800	7.7
Flammable Liquid Fire Not Reported Elsewhere		58,800	7.1
Rubbish, Source of Ignition Unknown		31,100	3.7
Exposure		21,000	2.5
Lightning		20,100	2.4
Spontaneous Ignition		14,200	1.7
Gas Fires and Explosions Not Reported Elsewhere		7,400	.9
Explosions, Miscellaneous and Unclassified		4,000	.5
Fireworks and Rockets		3,500	.4
Miscellaneous Known Cases		77,800	9.4
Unknown or Undetermined		162,000	
Totals		992,000	100.0%

*1971 information not available.

**Percentages shown relate to total fires of known causes only.

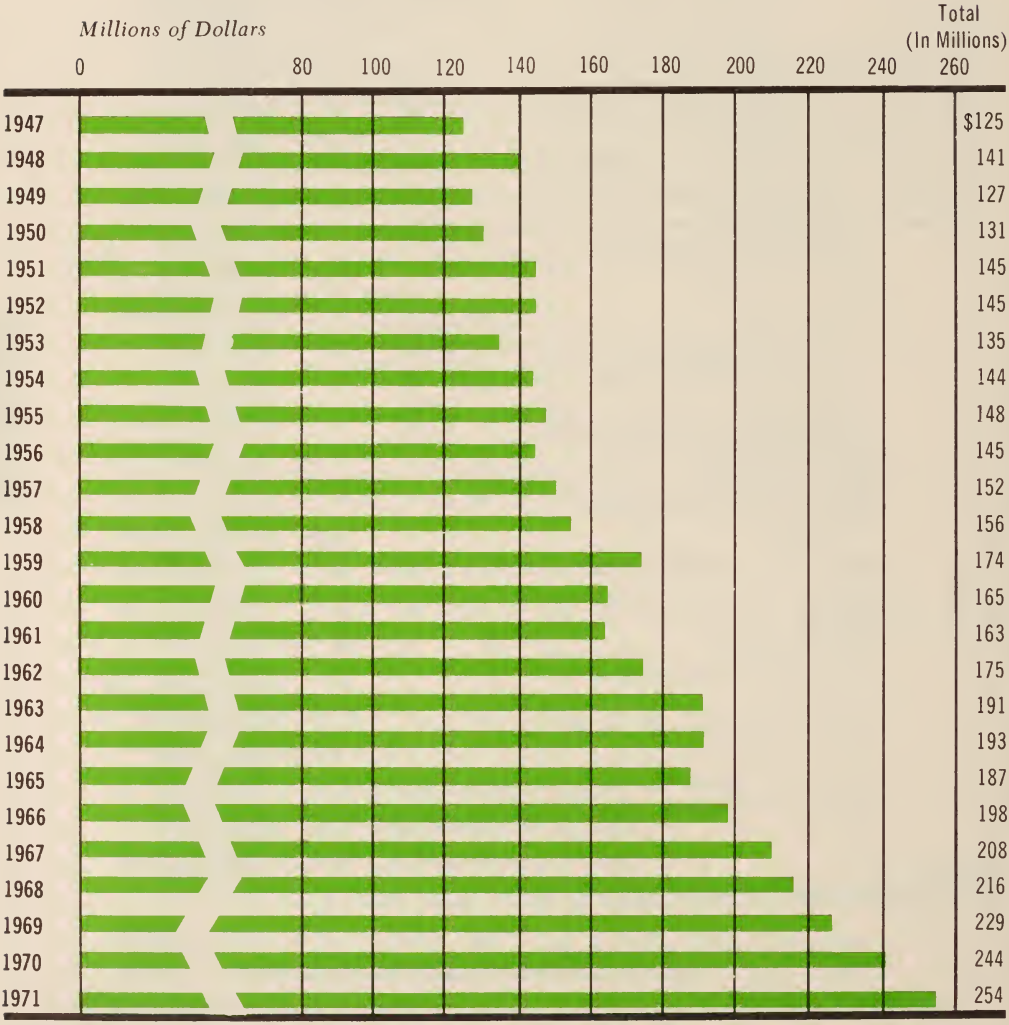
Source: National Fire Protection Association estimates.



FARM PROPERTY FIRE LOSSES

Fire losses on the nation's farms continued to climb in 1971, hitting a record $254 million.

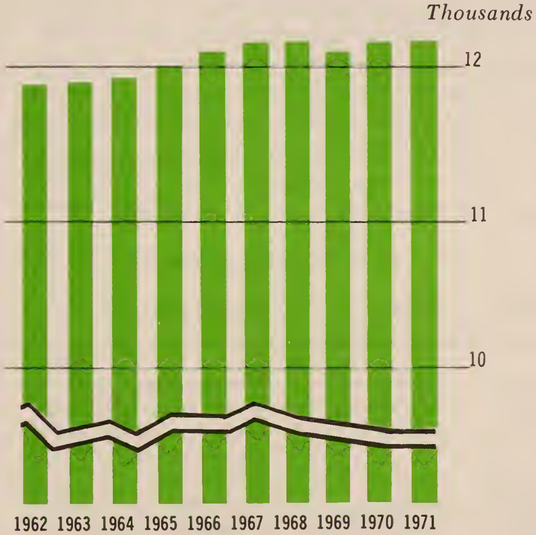
When fire occurs on rural property, damage is three to six times greater on the average than when it occurs on city property. Isolation, lack of fire-fighting facilities in many rural areas, less rigid wiring and construction standards, and poorer heating equipment in some instances, have contributed to this situation. Fires and lightning strike about two out of every 100 farms each year.



Source: U. S. Department of Agriculture (1971 figure is estimated).

FIRE FATALITIES

Fires in the United States killed approximately 12,200 persons in 1971, a repeat of the 1970 total. It was the seventh consecutive year in which the death toll equalled or exceeded the 12,000 mark. More than half the fire deaths (6,600) occurred in homes, and about one-third of these casualties were children.



Source: National Fire Protection Association.

FIRE FATALITIES BY AGE GROUP

Highest death rate by fire is among persons 65 years of age and older. The death rate by fire among infants under five years of age increased slightly in 1971.

Rates shown below are deaths per 100,000 population in each age group resulting from burns, asphyxiation, or being struck by falling objects during fires. Excluded are deaths from scalding by hot liquids or burns by hot objects.

Deaths per 100,000

Ages	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
0-4	6.5	6.8	6.3	6.4	7.2	5.9	5.9	5.6	5.2	5.5
5-14	1.9	2.0	1.9	1.6	1.9	1.6	1.2	1.5	1.5	1.4
15-24	1.2	1.3	1.2	1.2	1.3	1.2	1.0	1.2	1.1	1.1
25-44	2.6	2.8	2.8	2.6	2.5	2.5	2.3	2.1	2.1	1.9
45-64	4.8	5.0	4.7	4.6	5.0	4.8	4.8	4.6	4.3	4.0
65 and over	12.3	13.7	11.3	10.5	12.6	11.3	11.5	10.3	9.9	10.7

Source: National Safety Council.

MAJOR FIRES—I

(FIRES CAUSING EXTENSIVE PROPERTY DAMAGE)

In the 19th Century and the early years of the 20th Century, major portions of nine American cities were destroyed by fire. Largest and best known were the great Chicago fire of 1871 and the San Francisco earthquake-fire of 1906. These early-day conflagrations are listed in the first part of the table below.

Also tabulated below are the results of fires in the United States from 1914 through 1971, each of which caused more than $3,000,000 estimated damage to insurable property. Government property, ocean marine, aircraft, automobile, forest and mine fires, together with explosions, are excluded.

Early Conflagrations

Year	Date	Location	Property Destroyed	Estimated Loss
1835	Dec. 16	New York, N.Y.	Buildings covering 13 acres	$ 15,000,000
1861	Dec. 1	Charleston, S.C.	Most of city destroyed by fire	10,000,000
1866	July 4	Portland, Me.	Firecracker starts fire; 1,500 buildings destroyed	10,000,000
1871	Oct. 8-10	Chicago, Ill.	17,430 buildings	175,000,000*
1872	Nov. 9	Boston, Mass.	776 buildings	75,000,000
1901	May 3	Jacksonville, Fla.	1,700 buildings	11,000,000
1904	Feb. 7	Baltimore, Md.	80 city blocks in business section	50,000,000
1906	April 18	San Francisco, Calif.	28,000 buildings	350,000,000**
1908	April 12	Chelsea, Mass.	3,500 buildings	12,000,000

1914-1971

Year	Location	Property Destroyed	Estimated Loss
1914	Salem, Mass.	1,600 buildings	$14,000,000
1916	Paris, Tex.	1,440 buildings	11,000,000
1916	Augusta, Ga.	682 buildings	4,250,000
1917	Atlanta, Ga.	1,938 buildings	5,500,000
1922	Chicago, Ill.	13 business buildings	4,000,000
1922	Astoria, Ore.	30 business blocks	5,000,000
1923	Berkeley, Calif.	600 buildings	6,500,000
1926	San Luis Obispo, Calif.	Oil tank farm	5,000,000
1928	Fall River, Mass.	107 business, mercantile buildings	3,500,000
1934	Lexington, Ky.	Whiskey warehouse	3,000,000
1934	Chicago, Ill.	Stockyards, office building	5,000,000
1941	Fall River, Mass.	Rubber plant, warehouses	11,000,000
1943	Oakland, Calif.	Feed and grain mill	4,000,000
1947	Weehawken, N.J.	Pier and warehouse	3,500,000
1947	Bar Harbor, Me.	Business, residential area	7,000,000
1951	Evansville, Ind.	Business, commercial area	7,500,000
1951	Hutchinson, Minn.	Adhesive tape warehouse	5,000,000

See also Major Fires—II, page 39.

**See also Major Fires—II, page 39 and Earthquakes in the United States, page 40.*

Major Fires—I (Continued)

Year	Location	Property Destroyed	Estimated Loss
1952	Clarksburg, W.Va.	Rubber warehouse	$ 3,400,000
1953	Livonia, Mich.	Auto transmission plant	50,000,000
1953	Wilmington, N.C.	4 warehouses, wharf	5,800,000
1954	Pekin, Ill.	Distillery, warehouse	7,100,000
1954	Rock Hill, S.C.	Textile plant	3,400,000
1955	Mechanicsville, Conn.	Textile factory	5,000,000
1955	Whiting, Ind.	Petroleum refinery	20,000,000
1955	Manville, R.I.	Electrical appliance factory	7,800,000
1956	Brooklyn, N.Y.	Pier (fire and explosion)	7,600,000
1957	Chicago, Ill.	Grain elevator	5,600,000
1957	Whiting, Ind.	Petroleum refinery	4,900,000
1957	Butler, N.J.	Rubber reclaiming plant	14,000,000
1957	Cleveland, Ohio	Paint and varnish plant	3,500,000
1958	Cicero, Ill.	Steel products plant	3,750,000
1958	Signal Hill, Calif.	Oil refinery	9,000,000
1959	Roseburg, Ore.	Forty block area	9,300,000
1960	Kingsport, Tenn.	Chemical plant	4,500,000
1960	Clifton, N.J.	Textile printing plant	8,000,000
1961	Los Angeles Calif.	Residential area	25,000,000
1961	Ayer, Mass.	Tannery	4,510,000
1961	Franklin, Pa.	Machinery plant	5,000,000
1961	North Portland, Ore.	Metalworking plant	3,654,000
1962	St. Louis, Mo.	Feed and grain mill	3,300,000
1962	Brandenburg, Ky.	Chemical plant	8,000,000
1962	Marietta, Ohio	Chemical plant	3,000,000
1962	Dearborn, Mich.	Automotive exhibition hall	4,000,000
1963	Pine Bluff, Ark.	Paper warehouse	3,525,000
1963	Van Nuys, Calif.	Chemical plant	4,600,000
1963	Plaquemine, La.	Chemical plant	9,000,000
1963	Bayonne, N.J.	Factory area	10,500,000
1964	Pascagoula, Miss.	Ship fabricating plant	15,000,000
1964	Jersey City, N.J.	Piers and wharves	10,000,000
1964	Attleboro, Mass.	Chemicals	7,700,000
1964	Santa Barbara, Calif.	Residential area	3,700,000
1964	New Castle, Del.	Chemicals	3,600,000
1964	Chicago, Ill.	Department store	5,600,000
1964	Dallas, Tex.	Department store	7,000,000
1965	Atlantic City, N.J.	Mail order store	3,500,000
1965	Lake Charles, La.	Chemical plants	4,350,000
1965	Arabi, La.	Sugar refinery	7,500,000
1965	Maricopa County, Ariz.	Electrical equipment assembly	5,000,000
1965	Portland, Ore.	Steel forging	3,122,000
1965	Lower Merion Twp., Pa.	Paper products fabricating	4,900,000
1965	Near Louisville, Ky.	Chemical plants	10,000,000
1965	Brooklyn, N.Y.	Conflagration	5,000,000
1965	Santa Fe Springs, Calif.	Appliance storage facility	3,800,000
1965	Brooklyn, Ohio	Lumberyard	3,388,000
1965	Freeport, Fla.	Space tracking station	13,800,000
1965	Eglin AFB, Fla.	Manufacturing plant	15,000,000
1966	Collinsville, Ill.	Discount store	4,000,000
1966	Lebanon, Ohio	Correctional institution, mfg. plants	4,000,000
1966	Long Beach, Calif.	Ground fire, aircraft	7,000,000
1966	North Chicago, Ill.	Chemicals	3,100,000
1967	Orange, Calif.	Residential area	5,000,000
1967	Rossville, Ga.	Textile plants	15,000,000
1967	Chicago, Ill.	Exhibition hall	31,000,000
1967	Lake Charles, La.	Oil refinery	38,500,000
1967	Hawthorne, N.J.	Latex factory	4,000,000
1967	N. Elmsford, N.Y.	Grocery warehouse	5,000,000

Major Fires—I (Continued)

Year	Location	Property Destroyed	Estimated Loss
1967	Oakmont, Pa.	Plastics plant	$ 3,250,000
1967	Milwaukee, Wis.	Food processing plant	4,000,000
1967	Towanda, Pa.	Construction materials	4,000,000
1967	Maplewood, Minn.	Discount house	3,600,000
1968	Taft, La.	Chemicals	4,200,000
1968	Bondsville, Mass.	Tenanted mill buildings	10,000,000
1968	New Rochelle, N.Y.	High school	6,000,000
1968	Tampa, Fla.	Steam power plant	5,000,000
1968	Lawrence, Mass.	Paper converter	3,250,000
1969	Webster, Mass.	Industrial complex	10,000,000
1969	Golden, Colo.	Atomic Energy Commission plant	45,000,000
1969	Carbondale, Ill.	University	3,950,000
1969	Boston, Mass.	Grocery warehouse	15,000,000
1969	Memphis, Tenn.	Piano company	3,200,000
1969	Elizabeth, La.	Paper company and other buildings	7,200,000
1969	Warwick, R.I.	Industrial complex	5,000,000
1969	Moorestown, N.J.	Warehouse	5,000,000
1969	Texas City, Tex.	Chemical complex	30,000,000
1969	Philadelphia, Pa.	Warehouse	3,715,000
1969	Plymouth Meeting, Pa.	Metal manufacturer	3,528,000
1970	Plymouth, Pa.	Shopping center	8,000,000
1970	Hammond, Ind.	Oil company warehouse	3,000,000
1970	Springfield, Mo.	Grocery warehouse	4,522,000
1970	Milford, Conn.	Furniture storage and terminal bldg.	8,000,000
1970	Clinton, Iowa	Chemical company	4,000,000
1970	Madison, Wisc.	University of Wisconsin Physics Building	5,000,000
1970	Deaborn, Mich.	Museum	5,000,000
1970	Hamtramck, Mich.	Plastics products mfg. plant	3,100,000
1970	Sebring, Ohio	Royal China	5,570,000
1970	New York City	Office building	6,835,000
1970	Clinton, Iowa	Manufacturing plant	6,450,000
1970	Destrehan, La.	Grain elevator	11,924,000
1970	Beaumont, Tex.	Oil refinery	6,000,000
1970	Fresno, Calif.	Department store	4,000,000
1970	Klamath Falls, Ore.	Building under construction	3,250,000
1970	off New Orleans, La. Coast	Drilling rig	3,300,000
1970	Linden, N.J.	Oil refinery, nearby buildings	50,000,000
1970	Bellwood, Ill.	Manufacturing plant	4,647,000
1970	Chicago, Ill.	Printing plant	4,761,000
1970	Grand Forks, N.D.	Mill and elevator	3,228,000
1970	Shelocta, Pa.	Electric power station	8,187,000
1970	Tumwater, Wash.	Motor inn	3,475,000
1970	Milwaukee, Wis.	Manufacturing plant	3,425,000
1971	Gloucester, N.J.	Hauling and warehousing	5,880,000
1971	Columbus, Ohio	Shoe company	3,097,000
1971	Longview, Tex.	Photographic equipment plant	8,814,000
1971	Morris, Ill.	Chemical plant	8,200,000
1971	Lorain, Ohio	Ship in repair facility	10,000,000
1971	San Antonio, Tex.	Auto parts distributor	9,000,000
1971	Emporia, Va.	Sawmill	9,000,000
1971	Covington, Va.	Plastics plant	5,300,000
1971	Le Moyne, Ala.	Textile plant	5,000,000
1971	Indian Point, N.Y.	Power plant	5,000,000
1971	Longview, Tex.	Photographic plant	4,500,000
1971	Weymouth, Mass.	Junior high school	4,500,000
1971	Columbus, Ohio	Storage warehouse	3,500,000
1971	Jackson, Miss.	Storage warehouse	3,250,000

NOTE: 1971 figures are preliminary estimates.

Sources: Insurance Services Office, National Fire Protection Association.

MAJOR FIRES—II

(FIRES RESULTING IN HEAVY LOSS OF LIFE*)

In the last century, fires killing 40 or more persons have occurred at least 38 times in the United States. The most tragic building fire of 1971, in terms of loss of life, occurred on February 3, when 25 persons died and 60 were injured when a flash fire touched off an explosion in a munitions manufacturing plant in Brunswick, Georgia.

Place	Date	Deaths
Peshtigo, Wis., and environs	Oct. 8, 1871	1,152
New York, N. Y., SS General Slocum	June 15, 1904	1,030
Chicago, Ill., Iroquois Theatre	Dec. 30, 1903	602
Cloquet, Minn., and environs	Oct. 12, 1918	559
San Francisco, Calif., earthquake-fire	Apr. 18, 1906	500**
Boston, Mass., Cocoanut Grove Night Club	Nov. 28, 1942	492
Hinckley, Minn., and environs	Sept. 1, 1894	413
Hoboken, N. J., North German Lloyd Steamship pier and ships	June 30, 1900	326
Columbus, O., State Penitentiary	Apr. 21, 1930	320
Brooklyn, N. Y., Conway's Theatre	Dec. 5, 1876	283
Chicago, Ill., Great Fire	Oct. 8, 1871	250†
Natchez, Miss., Rhythm Club Dance Hall	Apr. 23, 1940	207
Collinwood, O., Lakeview School	Mar. 4, 1908	175
Boyertown, Pa., Rhoades Opera House	Jan. 12, 1903	170
Hartford, Conn., Circus	July 6, 1944	168
New York, N. Y., Triangle Shirtwaist Co.	Mar. 25, 1911	145
Asbury Park, N. J., SS Morro Castle	Sept. 8, 1934	134
Cleveland, O., Cleveland Clinic Hospital	May 15, 1929	125
Atlanta, Ga., Winecoff Hotel	Dec. 7, 1946	119
Quonset Pt., R. I., U.S.S. Bennington Aircraft Carrier	May 1954	106
Chicago, Ill., Our Lady of the Angels School	Dec. 1, 1958	95
Beulah, S. C., Cleveland School	May 17, 1923	77
Indianapolis, Ind., State Fairgrounds Coliseum	Oct. 10, 1963	74
Effingham, Ill., St. Anthony Hospital	Apr. 4, 1949	74
Warrenton, Mo., Katie Jane Nursing Home	Feb. 17, 1957	72
Milwaukee, Wis., Newhall House (hotel)	Jan. 10, 1883	71
Fitchville, Ohio, Golden Age Nursing Home	Nov. 23, 1963	63
Chicago, Ill., LaSalle Hotel	June 5, 1946	61
Gainesville, Ga., Pruitt Hardware Co.	Apr. 6, 1936	57
Houston, Tex., Gulf Hotel	Sept. 7, 1943	54
Searcy, Ark., Titan Missile Base (Silo)	Aug. 9, 1965	53
Brockton, Mass., Grover & Co. Shoe Factory	Mar. 20, 1905	50
Brooklyn, N. Y., U.S.S. Constellation	Dec. 19, 1960	50
Pittsburgh, Pa., Little Sisters of the Poor, Home for the Aged	July 24, 1931	48
New York, N. Y., Windsor Hotel	Mar. 17, 1899	45
Scituate, Mass., SS Fairfax and tanker Pinthis	June 10, 1930	45
Cuyahoga Falls, Ohio, Pennsylvania Railroad, following train collision	July 31, 1940	43
Davenport, Ia., Mercy Hospital	Jan. 7, 1950	41

* *Does not include mine disasters, airplane crashes or explosions.*

** *See also Major Fires—I, page 36, and Earthquakes in the United States, page 40.*

† *See also Major Fires—I, page 36.*

Sources: National Fire Protection Association, American Insurance Association.

EARTHQUAKES IN THE UNITED STATES

Although much of the nation's seismic activity is centered along the Pacific Coast and in Nevada, every state is vulnerable to and has felt the effects of earthquakes. The San Francisco earthquake of April 18, 1906, which touched off fires that nearly razed the city and took an estimated 500 lives, was the most catastrophic yet recorded in the United States. In the East, the greatest shock was experienced by Charleston, S.C., on August 31, 1886, and resulted in 60 deaths and $23 million in property damage. The San Fernando Valley, Calif., earthquake of February 9, 1971, killed 65 persons—the first earthquake fatalities in the U.S. since 1965—and caused property damage estimated at more than $550 million. Although insurance against earthquake damage is generally available, relatively few property owners have taken advantage of the protection it offers.

Earthquakes which have caused $1 million or more damage in the United States are listed below.

MAJOR U. S. EARTHQUAKES

Year	Locality	Damage
1886	Charleston, S.C.	$23,000,000
1898	Mare Island, Calif.	1,400,000
1906	San Francisco, Calif.	24,000,000
	Fire Loss	350,000,000*
1925	Santa Barbara, Calif.	8,000,000
1933	Long Beach, Calif.	40,000,000
1935	Helena, Mont.	4,000,000
1940	Imperial Valley, Calif.	6,000,000
1941	Torrance-Gardena, Calif.	1,000,000
1944	Cornwall, Canada-Massena, N. Y.	2,000,000
1946	Hawaii (tsunami damage from earthquake in Aleutians)	25,000,000
1949	Puget Sound, Wash.	25,000,000
1949	Terminal Island, Calif. (oil wells only)	9,000,000
1951	Terminal Island, Calif. (oil wells only)	3,000,000
1952	Kern County, Calif.	60,000,000
1954	Eureka-Arcata, Calif.	2,100,000
1954	Wilkes-Barre, Pa.	1,000,000
1955	Terminal Island, Calif. (oil wells only)	3,000,000
1955	Oakland-Walnut Creek, Calif.	1,000,000
1957	Hawaii (tsunami damage from earthquake in Aleutians)	3,000,000
1957	San Francisco, Calif.	1,000,000
1959	Hebgen Lake, Mont. (damage to timber and roads)	11,000,000
1960	Hawaii and west coast of United States (tsunami damage from earthquake off the coast of Chile)	25,500,000
1961	Terminal Island, Calif. (oil wells only)	4,500,000
1964	Alaska and west coast of United States (tsunami damage from earthquake near Anchorage, Alaska; includes earthquake damage in Alaska	500,000,000
1965	Puget Sound, Wash.	12,500,000
1969	Santa Rosa, Calif.	6,000,000
1971	San Fernando, Calif.	553,000,000

* *See also Major Fires—I, page 36 and Major Fires—II, page 39.*

Source: National Geophysical Data Center.

THE CATASTROPHE RECORD, 1962-71

To facilitate the payment of claims and to help property owners restore order in the wake of hurricanes and other perils which produce extensive, widespread damage, the property-liability insurance companies have catastrophe procedures which are put into effect when the total insured loss is expected to exceed—as a rule of thumb—$1 million. Catastrophes resulting in insured losses in excess of $10 million each from 1962 through 1969, and all recorded catastrophes of the most recent two years* are listed below. The estimates are based on data reported to the American Insurance Association and Insurance Services Office and reported insurance losses on fixed property only, and not total property damage. Uninsured, underinsured or deductible losses are not included.

	Date	Place	Catastrophe	Estimated Loss Payments
1962	Apr. 30	Illinois, Indiana, and St. Louis County, Mo.	Wind and Hailstorm	$ 23,300,000
	Oct. 11-12-13	Northern California, Oregon, and Washington	Windstorm	81,000,000
	Dec. 29-30-31	Connecticut, Massachusetts, New Jersey and New York	Windstorm	17,500,000
1963	May 25	Kansas	Wind and Hailstorm	11,000,000
1964	Mar. 5	Indiana and Ohio	Windstorm	15,000,000
	Apr. 2	St. Louis, Missouri and Southern Illinois	Wind and Hailstorm	30,000,000
	Aug. 26	East Coast of Florida	Hurricane "Cleo"	67,200,000
	Sept. 9-10	Northern Florida and Southeastern Georgia	Hurricane "Dora"	12,000,000
	Oct. 3-4	State of Louisiana	Hurricane "Hilda" and accompanying Tornadoes	23,300,000
1965	Apr. 11	Northern Ohio, Southern Michigan, State of Indiana, Northern Illinois and Southern Wisconsin	Tornadoes and Hail	70,000,000
	May 6	East Central Minnesota	Tornadoes and Hail	30,000,000
	Aug. 11	Los Angeles, California and Vicinity (Watts)	Disorders	38,000,000
	Aug. 26-27	States of Illinois and Indiana	Wind and Hailstorm	14,000,000
	Sept. 7-9	Southern Florida, Louisiana and Mississippi	Hurricane "Betsy"	$500,000,000**
1966	June 8	Northeast Kansas	Tornadoes and Wind	57,000,000

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* *Excludes fire catastrophes listed elsewhere in this book.*

** *This estimate includes insured fixed property losses only. Total insured loss from Hurricane "Betsy" is estimated at $715 million.*

	Date	Place	Catastrophe	Estimated Loss Payments
1967	Jan. 24	Western and Eastern Missouri	Tornado and Hailstorm	$ 15,000,000
	Feb. 15-16	Illinois, Michigan, Indiana Ohio, Pennsylvania, New Jersey and New York	Windstorm	12,000,000
	Apr. 21	Iowa, Illinois and parts of Indiana and Michigan	Hail, Tornadoes and Wind	40,000,000
	July 12	Newark, New Jersey	Disorders	11,000,000
	July 23	Detroit, Michigan	Disorders	41,500,000
	Sept. 19-20	Texas	Hurricane "Beulah"	34,000,000
	Various	Miscellaneous	Disorders	15,000,000
1968	Jan. 1-Dec. 31	Many localities	Disorders	10,400,000
	Apr. 4-15	Washington, Baltimore Chicago and numerous other locations	Disorders following assassination of Dr. Martin Luther King	68,100,000
	Apr. 27-28	Pine Bluff and Southern Arkansas, Dallas, Texas and other areas	Hail and Winds	21,700,000
	May 15	Alabama, Arkansas, Mississippi, Illinois, Iowa, Indiana, Missouri, Kansas and Nebraska	Hail, Tornadoes and Winds	36,000,000
	May 24	Oklahoma City, Okla. and Vicinity	Hail and Wind	16,000,000
	Nov. 11-13	Eastern United States	Windstorm	16,500,000
1969	Jan.-Dec.	Many localities	Disorders	31,300,000
	June 17-18	Amarillo and Texas Panhandle, Western Oklahoma, Central Texas	Wind and Hail	20,000,000
	Aug. 17-18	Louisiana, Mississippi, Alabama, Florida Panhandle	Hurricane "Camille"	165,300,000*
1970	Jan. 1-Dec. 31	Many locations	Disorders	4,650,000
	Jan. 13-14	State of Hawaii	Windstorm	1,223,000
	Jan. 24	Houma, La.	Explosion and Fire	1,500,000
	Feb. 1	Tex., La., and Miss. Gulf Coast Areas	Wind and Tornadoes	1,300,000
	Apr. 1-2-3	Eastern Central and Eastern States	Wind and Tornadoes	7,921,000
	Apr. 17-18-19 and 20	Tex., Ark., Miss., Tenn., Ky., Ill., Okla., and Ala.	Tornadoes, Wind and Hail	6,000,000
	Apr. 24	White Haven and Memphis, Tenn. and vicinity	Tornado and Wind (plus aircraft)	1,225,000
	Apr. 25-26-27	Tex., Okla., and SE Kan.	Wind, Tornado and Hail	2,500,000
	Apr. 29-30	Tex., Okla., Mo., Ind., Iowa, and Ill.	Hail, Wind and Tornado	7,730,000
	May 9-10	NE Kan. and adjacent areas of Mo.	Winds and Hail	6,250,000
	May 11-12	Tex. Pan. (Lubbock)	Tornado, Wind and Hail	50,000,000
	June 11	Ark., Kan., Okla.	Tornado, Wind and Hail	3,200,000
	June 18	Northeastern States	Tornado, Wind and Hail	2,140,000
	June 19-22	South Central and Eastern States	Wind and Hail	2,805,000
	June 24	El Reno, Okla., and vicinity	Wind and Hail	2,000,000
	Aug. 3	Southeastern Texas	Hurricane "Celia"	309,950,000
	Aug. 2	Southeastern Nebraska and Western Iowa	Windstorm	1,200,000

**Includes fixed property losses only. Total insured loss from Hurricane "Camille" is estimated at $225,000,000.*

Catastrophe record, (continued)

	Date	Place	Catastrophe	Estimated Loss Payments
1970	Sept. 3-4	Southeastern Nebraska Eastern Kansas, Oklahoma, and Western Missouri	Wind, Hail and possible Tornado	$ 1,750,000
	Sept. 9	Iowa, Illinois and Wisconsin	Windstorm and Tornado	3,100,000
	Sept. 22, Sept. 25	Oakland-Berkeley Hills and Southern California	Fires	24,848,000
	Oct. 5	Shawnee, Oklahoma and vicinity	Tornadoes and Windstorms	2½ to 3 million
1971	Jan. 1-Dec. 31	Many localities	Disorders	Open
	Jan. 25-27	East Central, Eastern and Northeastern States	Windstorm	1,575,000
	Jan. 28	Hawaii	Windstorm	1,500,000
	Feb. 6	New Orleans, La.	Explosion and Fire	2,000,000
	Feb. 9	Los Angeles County, Calif.	Earthquake and Fire	31,600,000
	Feb. 12	Southwestern Louisiana	Tornadoes and Hail	1,500,000
	Feb. 21-22	South Central States (Tex., La., Miss., Tenn., Ga., Ala., Ind., Ohio and N.C.)	Tornadoes and Wind	12,700,000
	Mar. 12	Texas and Oklahoma	Tornado, Wind and Hail	2,400,000
	Mar. 18	Central States (S. Dak., Neb., Kan., Okla., Mo., Iowa)	Windstorm	2,000,000
	Apr. 15	Del Rio, Tex. and vicinity	Hailstorm and Wind	1,400,000
	Apr. 22-23	S. Central States (Okla., Tex., Ark., Miss., Ala., Tenn.)	Wind, Hail and Tornado	12,000,000
	Apr. 26-27-28	Central States	Hail, Wind, Tornado	7,000,000
	Apr. 28	Central Texas	Hail, Wind, Tornado	1,250,000
	May 5-6-7, 8-10	Tex., Okla., Mo., Iowa, Kan., Ill., La., Ark., Tenn.	Wind, Hail and Tornado	13,000,000
	May 11	Brownsville, Tex. and vicinity	Hail and Wind	2,000,000
	May 17-18	New Mex., Colo., Neb., Okla., Kan., Ark., Mo., Iowa, Wisc., Ill., Mich.	Hail, Wind, Tornado	3,500,000
	May 20	Waco, Tex. and vicinity	Hail and Wind	2,500,000
	May 21-25	Colo., Kan., Okla., Tex., Ark., Mo., Ill., Tenn., Ky., Ind.	Wind, Hail and Tornadoes	7,000,000
	May 26	Central and Northeast Okla.	Wind, Hail and Tornadoes	2,000,000
	May 28-31	Tex., Okla., Kan., Mo., Iowa	Wind, Hail and Tornadoes	2,695,000
	June 2	Central and North Central Oklahoma	Wind, Hail and Tornadoes	1,490,000
	June 11-13	Ind., Kan., Tex. and N.M.	Wind, Hail and Tornadoes	1,525,000
	June 13-15	Albuquerque, N.M.	Disorders	3,000,000
	June 24	S. Dak., Minn., Iowa., Wisc.	Wind, Hail and Tornadoes	1,500,000
	June 25-26	Ohio	Wind and Hail	1,500,000
	July 8	Central Iowa and Northern Illinois	Wind and Hail	1,750,000
	July 14-15	Mo., Ill., Ky., Tenn., Ark., Miss., Ala.	Wind, Hail and Tornadoes	1,400,000
	Aug. 19	Camden, N.J.	Disorders	1,000,000
	Aug. 27-28	Atlantic Coastal States	Tropical Storm "Doria"	13,500,000
	Aug. 30	Phoenix, Ariz.	Windstorm	1,500,000
	Sept. 5	Tulsa, Okla. and vicinity	Windstorm, Lightning, Heavy Rains	2,050,000
	Sept. 9	Texas Gulf Coast	Hurricane "Fern"	1,380,000
	Sept. 16	Southern Louisiana and Mississippi	Hurricane "Edith"	4,730,000
	Sept. 30	North Carolina, Virginia	Hurricane "Ginger"	2,000,000
	Dec. 10-11	Ark., Southeastern Mo., Ky., Southern Ill., Ind., Mich., Ohio	Wind and Tornadoes	6,150,000
	Dec. 14	Northeastern Tex., La., Ark., Mo., Ill., Ind., Western Tenn.	Wind, Hail and Tornadoes	8,950,000

HURRICANES REACHING THE UNITED STATES

In the last 50 years, 93 hurricanes have reached the continental United States, leaving in their wake almost 5,000 dead. Eight fatalities were recorded in 1971.

Year	Hurricanes*	Deaths**
1922	0	0
1923	2	0
1924	2	2
1925	1	6
1926	4	269
1927	0	0
1928	2	1,836
1929	2	3
1930	0	0
1931	0	0
1932	2	0
1933	5	63
1934	3	17
1935	2	414
1936	3	9
1937	0	0
1938	2	600
1939	1	3
1940	2	51
1941	2	10
1942	2	8
1943	1	16
1944	3	64
1945	3	7
1946	1	0
1947	3	53
1948	3	3
1949	2	4
1950	3	19
1951	0	0
1952	1	3
1953	2	2
1954	3	193
1955	3	218
1956	1	21
1957	1	395
1958	0	2
1959	3	24
1960	2	65
1961	2	46
1962	0	4
1963	1	11
1964	4	49
1965	1	75
1966	2	54
1967	2	18
1968	1	9
1969	2	256
1970	1	11
1971	5	8

**All had hurricane force winds (75 miles per hour or more) recorded or estimated on mainland prior to or at time of entering the continental U.S.*

***Deaths include fatalities from high winds of less than hurricane force.*

Source: United States Department of Commerce—National Oceanic and Atmospheric Administration.

TORNADOES IN THE UNITED STATES

The number of recorded tornadoes in the United States climbed from 649 in 1970 to 888 in 1971, and 156 fatalities were recorded in the latter year. Tornadoes are at their worst in the spring months of April, May and June and strike the least frequently during the winter season. An apparent sharp increase in tornadoes since the early 1950s is due largely to improved reporting techniques.

Year	Tornadoes	Deaths
1922	108	135
1923	102	109
1924	130	376
1925	119	794
1926	111	144
1927	163	540
1928	203	92
1929	197	274
1930	192	179
1931	94	36
1932	151	394
1933	258	362
1934	147	47
1935	180	70
1936	151	552
1937	147	29
1938	213	183
1939	152	87
1940	124	65
1941	118	53
1942	167	384
1943	152	58
1944	169	275
1945	121	210
1946	106	78
1947	165	313
1948	183	140
1949	249	212
1950	199	70
1951	272	34
1952	236	230
1953	437	516
1954	549	35
1955	593	125
1956	532	83
1957	864	191
1958	565	66
1959	589	58
1960	618	47
1961	681	51
1962	658	28
1963	461	31
1964	713	73
1965	898	299
1966	570	105
1967	912	116
1968	660	131
1969	604	66
1970	649	73
1971	888	156

Source: United States Department of Commerce—National Oceanic and Atmospheric Administration.

TORNADOES BY STATE

In the last five years, tornadoes have struck at least once in every state except Alaska and Rhode Island, causing 542 deaths and injuries to 10,303 persons. The south and midwest sections of the country are hit most often with tornadoes. The most devastating single tornado on record swept through Missouri, Illinois and Indiana on March 18, 1925, killing 689 persons, injuring 1,980 persons and causing property damage estimated at $17 million.

Five-Year Totals by State
1967-1971

State	Tornadoes	Deaths	Injuries
Ala.	80	11	175
Alaska	0	0	0
Ariz.	24	0	50
Ark.	70	66	856
Calif.	10	0	0
Colo.	56	0	14
Conn.	6	0	1
Del.	4	0	7
D.C.	0	2	0
Fla.	237	4	329
Ga.	125	3	116
Hawaii	5	0	4
Idaho	3	0	0
Ill.	91	68	1,250
Ind.	99	2	93
Iowa	161	22	703
Kan.	132	2	159
Ky.	47	16	614
La.	89	14	99
Maine	17	0	1
Md.	10	1	1
Mass.	20	1	107
Mich.	59	1	136
Minn.	124	39	330
Miss.	139	163	2,139
Mo.	190	17	558
Mont.	12	0	0
Neb.	146	1	10
Nev.	4	0	0
N.H.	11	0	6
N.J.	36	0	0
N.M.	43	0	5
N.Y.	19	1	9
N.C.	27	2	67
N.D.	61	0	15
Ohio	75	14	532
Okla.	224	10	206
Ore.	5	0	0
Pa.	26	1	22
R.I.	0	0	0
S.C.	34	0	8
S.D.	156	1	29
Tenn.	61	11	369
Texas	811	63	1,025
Utah	15	0	2
Vt.	2	0	8
Va.	18	1	20
Wash.	6	0	1
W.Va.	14	0	11
Wis.	135	5	213
Wyo.	28	0	1
Puerto Rico	4	0	2
Countrywide Total	3,731*	542	10,303

* *Corrected for boundary-crossing tornadoes.*

Source: United States Department of Commerce—National Oceanic and Atmospheric Administration.

ACCIDENT FACTS

Accidental deaths in the United States in 1971 totaled 115,000, a repeat of the 1970 toll.

The motor vehicle again was the worst killer; home accidents were second. Classified accidental deaths for 1970 and 1971 were:

	1970	1971	% Change
All accidents	115,000	115,000	None
Motor vehicle	54,800	54,700	–0.2%
Home	27,000	27,500	+1.9%
Work	14,300	14,200	–0.7%
Public (non motor vehicle)	22,500	22,500	None

Note: Death figures shown for the four separate classifications total more than the "All Accidents" figure because some deaths are included in more than one classification.

Source: National Safety Council.

MOTOR VEHICLE DEATHS AND INJURIES

Deaths and injuries caused by motor vehicle accidents in the United States, by year, from 1947 to 1971, are tabulated below, along with the annual number of accidents since 1966, the first year such national statistics were compiled.

Year	Accidents*	Deaths **	Injuries †
1947		32,697	1,365,000
1948		32,259	1,471,000
1949		31,701	1,564,000
1950		34,763	1,799,000
1951		36,996	1,962,000
1952		37,794	2,090,000
1953		37,955	2,140,000
1954		35,586	1,960,000
1955		38,426	2,158,000
1956		39,628	2,368,000
1957		38,702	2,525,000
1958		36,981	2,825,000
1959		37,910	2,870,000
1960		38,137	3,078,000
1961		38,091	3,057,000
1962		40,804	3,345,000
1963		43,564	3,460,000
1964		47,700	3,840,000
1965		49,163	3,982,000
1966	15,896,000	53,041	4,192,000
1967	16,978,000	52,924	4,353,000
1968	18,631,000	54,862	4,356,000
1969	22,025,000	56,000	5,010,000
1970	22,116,000	54,800	4,983,000
1971	22,650,000	54,700	4,994,000

Sources: *Insurance Information Institute.
**National Safety Council.
†Prior to 1965, the Travelers Insurance Companies; 1965 to present, Insurance Information Institute.

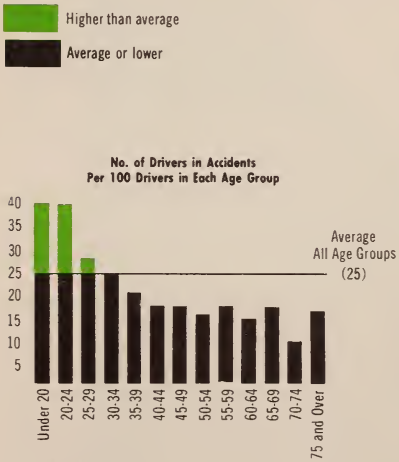
ACCIDENTS BY AGE OF DRIVERS

Compilations based on reports from state traffic authorities show that drivers under age 30 are involved in a disproportionately high number of traffic accidents. In 1971, drivers in that age group comprised 31.8 per cent of the motoring population of the United States, but were involved as drivers in 47 per cent of all accidents; 45.9 per cent of fatal accidents. The highest rate of involvement in fatal accidents is among drivers 20 through 24 years of age.

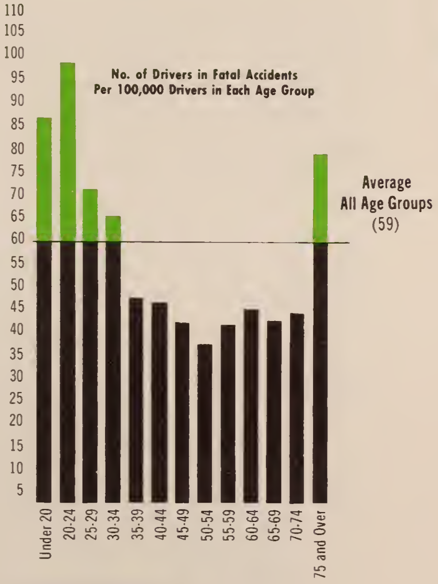
Accidents by Age of Drivers
1971

Age Group	Number of Drivers	% of Total	Drivers in All Accidents	% of Total	Drivers in Fatal Accidents	% of Total
0-19	11,700,000	10.3	4,700,000	16.6	10,100	14.9
20-24	12,900,000	11.3	5,200,000	18.4	12,800	18.9
25-29	11,600,000	10.2	3,400,000	12.0	8,200	12.1
30-34	10,900,000	9.6	2,700,000	9.6	7,100	10.4
35-39	10,900,000	9.6	2,400,000	8.5	5,150	7.6
40-44	11,300,000	9.9	2,100,000	7.4	5,150	7.6
45-49	11,200,000	9.8	2,100,000	7.4	4,800	7.1
50-54	9,900,000	8.7	1,650,000	5.8	3,700	5.4
55-59	7,800,000	6.8	1,450,000	5.1	3,100	4.6
60-64	6,000,000	5.3	1,000,000	3.5	2,700	4.0
65-69	4,500,000	3.9	850,000	3.0	1,900	2.8
70-74	3,100,000	2.7	350,000	1.3	1,350	2.0
75 and over	2,200,000	1.9	400,000	1.4	1,750	2.6
Total	114,000,000	100.0%	28,300,000	100.0%	67,800	100.0%

Source: National Safety Council.



Source: National Safety Council.

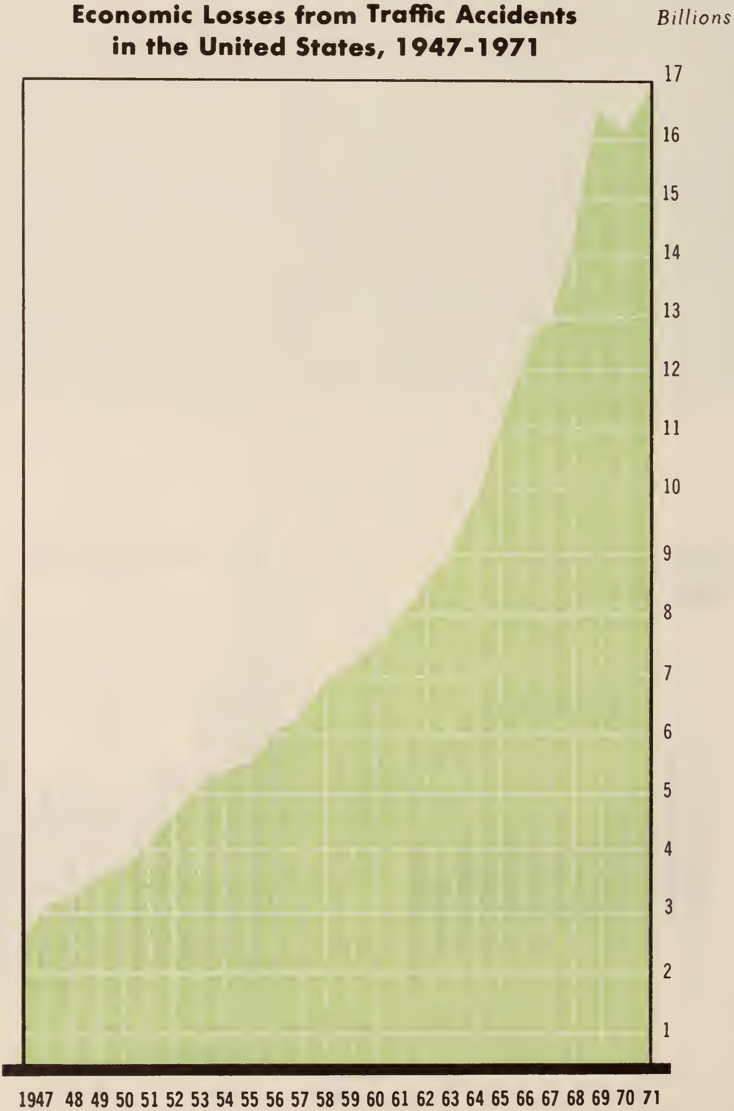


Source: National Safety Council.

ECONOMIC LOSSES FROM TRAFFIC ACCIDENTS

The total dollar cost of the nation's traffic accidents reached an all-time high of $16,879,988,000 in 1971. Experts said the economic losses were propelled upward by increases in accidents (which also reached a new peak in 1971), deaths and injuries, together with the still-rising costs of automobile repairs and medical care. The economic loss figure includes the cost of paying for property damage and legal, medical, surgical and hospital bills (both insured and uninsured), along with loss of income from absence from work and the administrative costs of insurance, for *all* traffic deaths, injuries and property damage accidents.

Economic Losses from Traffic Accidents in the United States, 1947-1971



Source: Insurance Information Institute.

CLAIM COSTS RESULTING FROM AUTO ACCIDENTS

The costs of treating injured people and repairing damaged property and the costs of insurance claim settlements and court awards have risen steadily in recent years. In the last decade, the average bodily injury claim rose about 75 per cent, from $1,099 to $1,923. In the same period, the average paid property damage liability claim climbed approximately 104 per cent.

Countrywide* Average Paid Claims Costs**
Liability Insurance, Private Passenger Cars

Year	Bodily Injury Average Paid Claim Cost	Property Damage Average Paid Claim Cost	Year	Bodily Injury Average Paid Claim Cost	Property Damage Average Paid Claim Cost
1961	$1,099	$169	**1967**	$1,432	$241
1962	1,113	176	**1968**	1,550	267
1963	1,113	181	**1969**	1,633	295
1964	1,129	189	**1970**	1,726	320
1965	1,202	203	**1971**	1,923	345
1966	1,296	221			

* *Excluding Massachusetts which has different reporting methods.*

** *For all limits combined, and including all loss adjustment expenses.*

Source: Insurance Services Office.

WORK HOURS NEEDED TO BUY AND INSURE A NEW AUTOMOBILE

The number of hours the average wage earner must work to purchase a new model, moderate-priced automobile increased 9.3% from 1968 to 1972, while the hours necessary to purchase auto insurance increased 3.1% over the same period. In 1968, it required 750.9 hours at the nation's median wage of $4.31 an hour to acquire the $3,241 purchase price of a selected popular automobile, while in 1972 it took 820.8 hours at $5.14 an hour to earn $4,223 for the latest model of the same car. For auto insurance (10/20/5 liability coverage, $100 deductible collision and full comprehensive), it took 36.4 hours to earn the 1968 premium of $157.19 and 37.5 hours to earn the 1972 premium of $193.13.

HOURS WORKED TO BUY CAR	HOURS WORKED TO BUY INSURANCE
1968 750 hours 55 minutes	1968 36 hours 25 minutes
1972 820 hours 48 minutes (+ 9.3%)	1972 37 hours 54 minutes (+ 3.1%)

Sources: U. S. Bureau of Census; Insurance Services Office.

COST OF OPERATING AN AUTOMOBILE

The cost of insurance is the second lowest of six major expense factors involved in owning and operating an automobile, according to a study by the Federal Highway Administration. A 1972 analysis showed that the cost of insurance ranged from 1.2 to 1.4 of a total cost of 9.4 to 13.6 cents a mile, depending on the size of car. The FHA said the cost figures were computed for suburban Baltimore, Md., and would be higher in some areas of the country and lower in others. The analysis assumes that each vehicle is driven 100,000 miles during a 10-year period.

Insurance coverage contemplated by the study included $50,000 combined bodily injury and property damage liability, $1,000 medical payments, uninsured motorist and full comprehensive coverage, all for the full 10 years, and $100 deductible collision insurance for the first five years.

COST OF OPERATING AN AUTOMOBILE
CENTS PER MILE

	Original Vehicle Cost Depreciated	Maintenance Accessories Parts & Tires	Gas & Oil (Excluding Taxes)	Garages Parking & Tolls	Insurance	State & Federal Taxes
Standard Size	**4.4c**	**2.6c**	**2.1c**	**1.8c**	**1.4c**	**1.3c**
Compact Size	**2.7c**	**2.2c**	**1.8c**	**1.8c**	**1.3c**	**1.0c**
Subcompact Size	**2.1c**	**2.1c**	**1.4c**	**1.8c**	**1.2c**	**.8c**

Source: Federal Highway Administration, U. S. Department of Transportation.

AUTOMOBILE REPAIR COSTS

The cost of repairing automobiles continues to climb because of steady increases in the costs of parts and labor. Although labor charges vary widely, studies show that the average charge has climbed from about $6 an hour in 1967 to approximately $9 an hour in 1972. The table below compares the cost of replacing frequently damaged parts of a popular model 1967 car involved in an accident in 1967 and the 1972 model of the same car damaged in 1972. (A research study by Insurance Services Office in 1972 disclosed that increases in the overall value of 13 selected groups of parts for 1972 models as compared to 1970 models of six domestic makes ranged from 6.2 per cent to 30.1 per cent.)

COSTS OF REPLACING SELECTED PARTS, 1967 and 1972

	1967 Standard Size 4-door Chevrolet			1972 Standard Size 4-door Chevrolet		
	Parts	**Labor**		**Parts**	**Labor**	
Bumper	$ 50.20	$28.80		$118.62	$ 59.40	
Grille	25.75	8.40		64.91	26.10	
Hood	74.00	12.60		124.53	19.80	
Front Fender	61.95	21.60		122.07	46.80	
Total	$211.90	$71.40	$283.30	$430.13	$152.10	$582.23

RESULTS OF LOW-SPEED CRASH TESTS

The continuing high cost of repairing automobiles damaged in low-speed crashes is reflected in the results of a series of tests of 1972 model sedans and small cars conducted by the Insurance Institute for Highway Safety. The Institute said that while some of the vehicles sustained less damage than did tested 1971 models of the same cars, all of the cars produced "needless, avoidable dollar damage."

Cars used in the 1972 tests were of four basic sedan models that the Institute has tested each year since 1969, along with the latest models of four small cars. All were driven forward and in reverse into barriers at various speeds. In addition, identical models were crashed front to rear and front to side at 10 miles an hour. IIHS noted that the sedans fared "somewhat better" than the 1971 models in the lowest-speed crashes, but "no better and sometimes worse" in 10 to 15 mile an hour tests.

It was also pointed out that all of the cars met and some exceeded the Department of Transportation's 1973-model requirements that the rear bumpers protect "safety related" items in crashes of 2.5 miles an hour into a barrier.

INSURANCE INSTITUTE FOR HIGHWAY SAFETY 1972 CRASH TEST RESULTS

	2.5 MPH Rear	5 MPH Front	5 MPH Rear	10 MPH Front	10 MPH Front/ Rear*	10 MPH Front/ Side*	15 MPH FRONT
SEDANS							
Chevrolet Impala	$112.60	$153.75	$197.05	$576.65	$163.35 261.70	$173.90 719.25	$1,133.52
Ford Galaxie	20.00	402.10	242.60	917.17	265.65 423.81	341.70 598.65	1,243.30
Plymouth Fury	96.50	331.15	224.50	722.15	269.35 151.25	310.20 524.75	1,035.10
AMC Ambassador	12.00	168.25	159.10	830.50	220.00 280.40	338.65 421.65	1,095.90
AVERAGE	60.28	263.81	205.81	761.62	229.59 279.29	291.11 566.08	1,126.96
SMALL CARS							
Chevrolet Vega	71.70	190.90	274.45	619.20	250.53 273.75	128.35 218.30	777.41
Ford Pinto	36.80	125.20	267.50	667.05	176.55 263.10	145.92 197.50	805.25
AMC Gremlin	44.80	334.65	235.65	653.35	243.74 108.85	233.70 314.95	861.15
Toyota	8.36	251.46	214.78	657.00	206.62 368.28	209.91 328.34	872.20
AVERAGE	40.42	225.55	248.10	649.15	219.36 253.50	179.47 264.77	829.00

**In the front-to-rear crashes and the front-to-side crashes, the estimated repair cost for the striking car (front end damage) is listed first; the estimated repair cost for the struck car is listed second.*

Source: Insurance Institute for Highway Safety.

SPECIAL LOW-SPEED CRASH TESTS FOR BUMPER EFFECTIVENESS

A special series of crash tests by the Insurance Institute for Highway Safety compared auto manufacturers' claims of improved bumper effectiveness for selected 1972 models with the actual damages sustained by those cars in low speed impacts.

Estimated damage to six 1972 models driven forward at 5 miles an hour into a standard test barrier averaged $230.78. Yet all but one met U.S. Department of Transportation bumper standards specified for 1973 models because their damage was not in categories specified by DOT as "safety related," IIHS observed. All met the National Highway Traffic Safety Administration's 2.5 mile an hour rear-to-barrier bumper standard for 1973 models; five met the 1973 standard's front bumper requirements at 2.5 miles an hour; two met 5 mile an hour front-end criteria set for 1974 models.

Following are estimates of the cost of repairing the damage resulting from tests at speeds of 2.5, 5 and 10 miles an hour. Figures in bold face in the 2.5 and 5 mile an hour columns represent estimated damage sustained by the models which met the 1973 and 1974 bumper standards.

SPECIAL LOW-SPEED CRASH TEST RESULTS

1972 MODELS	2.5 MPH Front	2.5 MPH Rear	5 MPH Front	5 MPH Rear	10 MPH Front/ Rear*	10 MPH Front
Dodge Polara	**$ 73.90**	**$ 0.00**	**$324.30**	**$304.20**	$451.05 210.50	$ 698.44
Chrysler Newport	173.30	**34.00**	261.60	**239.60**	354.75 376.05	839.94
Oldsmobile Delta 88	**42.00**	**38.00**	**128.30**	339.90	401.79 319.85	1,346.00
Pontiac Catalina	**0.00**	**38.00**	**61.20**	334.30	247.55 614.70	757.90
Buick LeSabre	**8.00**	**112.40**	**231.05**	319.15	362.80 326.60	803.80
Cadillac Calais	**222.15**	**55.15**	**378.25**	187.00	439.50 610.60	1,066.85
AVERAGE	86.55	46.26	230.78	287.36	376.24 409.72	918.82

*****\u200b*In the front-to-rear crashes, the estimated repair cost for the striking car (front-end damage) is listed first; the estimated repair cost for the struck car is listed second.*

Source: Insurance Institute for Highway Safety.

CONSUMER PRICE INDICES FOR MEDICAL CARE ITEMS
IN THE UNITED STATES, 1947-1971

Medical costs, a highly significant factor in the cost of insurance claims, continued their upward spiral in 1971. Influenced somewhat by the general inflationary trend, the Consumer Price Index for physicians' fees rose 8.4 points, for hospital room rates soared 16.9 points and for all medical care items combined climbed 7.8 points.

(1967 = 100)

Year	Physicians' fees	Daily Hospital Service Charges	All medical care items
1947	51.4	22.0	48.1
1948	53.4	25.7	51.1
1949	54.4	27.8	52.7
1950	55.2	28.9	53.7
1951	57.3	32.0	56.3
1952	59.8	35.2	59.3
1953	61.4	37.4	61.4
1954	63.2	39.6	63.4
1955	65.4	41.5	64.8
1956	67.4	43.7	67.2
1957	70.3	47.2	69.9
1958	72.7	49.9	73.2
1959	75.1	52.7	76.4
1960	77.0	56.3	79.1
1961	79.0	60.6	81.4
1962	81.3	64.9	83.5
1963	83.1	69.0	85.6
1964	85.2	72.4	87.3
1965	88.3	76.6	89.5
1966	93.4	84.0	93.4
(100) 1967	100.0	100.0	100.0
1968	105.6	113.2	106.1
1969	112.9	127.9	113.4
1970	121.4	143.9	120.6
1971	129.8	160.8	128.4

Source: Bureau of Labor Statistics.

HEALTH INSURANCE BENEFITS

Private insurance companies pay well over half of the nation's billions of dollars of health insurance benefits. Private insurers paid almost $7.6 billion in such benefits in 1969, the latest year for which such statistics were available. Blue Cross, Blue Shield and other hospital-medical plans paid some $6.7 billion. A review by the Health Insurance Institute disclosed that in 1970 the average cost per hospital stay ranged from a low of $373.38 in Wyoming to a high of $1,052.58 in New York. The range on the basis of the average daily hospital cost was from $53.34 in Wyoming to $111.77 in California.

Health Insurance Benefits Paid *

	Paid by Insurance Cos. (in thousands) 1969**	Paid by Blue Cross, Blue Shield & Others (in thousands) 1969**	Average Cost Per Hospital Stay 1970	Average Length of Hospital Stay in Days 1970	Average Hospital Cost Per Day 1970
Ala.	$ 107,938	$ 78,179	$ 467.00	7.7	$ 60.65
Alaska	11,113	7,177	608.48	5.7	106.75
Ariz.	72,593	31,325	693.04	7.6	91.19
Ark.	49,198	25,575	410.81	7.1	57.86
Calif.	902,089	640,034	793.57	7.1	111.77
Colo.	73,538	74,745	568.58	7.2	78.97
Conn.	127,277	123,374	844.44	8.2	102.98
Del.	19,097	28,387	761.53	8.6	88.55
D.C.	44,851	138,923	980.76	8.8	111.45
Fla.	237,478	85,333	610.91	7.9	77.33
Ga.	188,040	48,126	457.12	6.9	66.25
Hawaii	8,718	41,159	708.08	7.5	94.41
Idaho	21,750	11,629	461.34	6.6	69.90
Ill.	582,017	292,861	742.56	9.1	81.60
Ind.	221,588	162,323	576.35	8.3	69.44
Iowa	111,393	69,689	514.42	8.4	61.24
Kan.	69,883	70,174	521.52	8.2	63.60
Ky.	81,182	72,527	449.06	7.2	62.37
La.	122,932	83,776	481.96	6.9	69.85
Me.	29,429	23,928	538.67	7.8	69.06
Md.	105,627	113,538	843.36	8.9	94.76

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* *Hospital, surgical and medical care costs, including loss of income, paid to insured persons under age 65.*

** *1970 data not available.*

Health Insurance Benefits (Continued)

	Paid by Insurance Cos. (in thousands) 1969**	Paid by Blue Cross, Blue Shield & Others (in thousands) 1969**	Average Cost Per Hospital Stay 1970	Average Length of Hospital Stay in Days 1970	Average Hospital Cost Per Day 1970
Mass.	167,188	328.829	943.80	8.8	107.25
Mich.	389,185	505,885	750.62	8.4	89.36
Minn.	159,001	93,910	632.17	8.9	71.03
Miss.	59,467	30,391	406.07	7.0	58.01
Mo.	203,792	148,046	630.74	8.9	70.87
Mont.	24,896	12,597	429.70	7.2	59.68
Neb.	59,550	30,021	529.80	9.1	58.22
Nev.	21,126	2,143	654.74	7.6	86.15
N.H.	21,286	18,524	536.00	7.7	69.61
N.J.	225,397	291,925	698.38	8.9	78.47
N.M.	31,891	9,910	485.79	6.8	71.44
N.Y.	639,703	954,783	1,052.58	10.4	101.21
N.C.	152,276	77,149	498.81	7.7	64.78
N.D.	17,058	23,391	495.68	8.3	59.72
Ohio	410,575	456,925	679.83	8.6	79.05
Okla.	85,110	50,253	489.82	7.5	65.31
Ore.	76,120	65,011	529.85	6.6	80.28
Pa.	392,548	529,167	698.92	9.5	73.57
R.I.	14,324	57,937	859.83	8.6	99.98
S.C.	84,896	28,149	451.45	7.7	58.63
S.D.	24,651	2,939	448.88	7.9	56.82
Tenn.	153,653	83,022	499.12	7.8	63.99
Tex.	429,673	201,993	525.31	7.2	72.96
Utah	33,636	26,534	526.80	6.8	77.47
Vt.	13,068	12,202	663.71	8.2	80.94
Va.	141,056	91,359	557.17	8.4	66.33
Wash.	110,947	108,909	556.02	6.1	91.15
W.Va.	58,830	51,590	472.39	8.1	58.32
Wis.	175,594	169,030	596.57	8.4	71.02
Wyo.	10,772	6,694	373.38	7.0	53.34
Countrywide	$7,575,000	$6,692,000	$ 664.28	8.2	$ 81.01

*** 1970 data not available.*

Source: Health Insurance Institute.

INJURIES AND DEATHS AT WORK

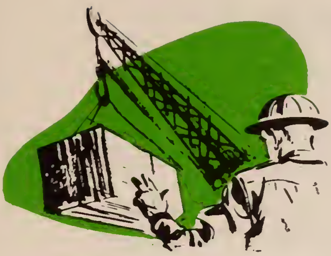
The number of work fatalities per 100,000 workers dropped slightly in 1971, but the number of work injuries per 100,000 workers increased for the first time in five years.

The average countrywide indemnity cost per case amounted to $1,284.23 and the average medical cost equaled $126.10, according to a tabulation by the National Council on Compensation Insurance of the latest available state reports, a majority of them for the fiscal year 1968-1969.

Work Fatalities and Injuries
1947-1971

Year	Employed Labor Force (Millions)	Fatalities	Fatalities per 100,000 workers	Injuries	Injuries per 100,000 workers
1947	57.0	17,000	29.8	2,050,000	3,596
1948	58.3	16,000	27.4	1,950,000	3,345
1949	57.6	15,000	26.0	1,850,000	3,212
1950	58.9	15,500	26.3	1,950,000	3,211
1951	60.0	16,000	26.7	2,100,000	3,500
1952	60.3	15,000	24.9	2,000,000	3,317
1953	61.2	15,000	24.5	2,000,000	3,268
1954	60.1	14,000	23.3	1,850,000	3,078
1955	62.2	14,200	22.8	1,900,000	3,055
1956	63.8	14,300	22.4	2,000,000	3,135
1957	64.1	14,200	22.2	1,950,000	3,042
1958	63.0	13,300	21.1	1,800,000	2,857
1959	64.6	13,800	21.4	1,950,000	3,019
1960	65.8	13,800	21.0	1,950,000	2,964
1961	65.7	13,500	20.5	1,900,000	2,892
1962	66.7	13,700	20.5	2,000,000	2,999
1963	67.8	14,200	20.9	2,000,000	2,950
1964	69.3	14,200	20.5	2,050,000	2,958
1965	71.1	14,100	19.8	2,100,000	2,954
1966	72.9	14,500	19.9	2,200,000	3.018
1967	74.3	14,200	19.1	2,200,000	2,961
1968	75.9	14,300	18.8	2,200,000	2,898
1969	77.9	14,300	18.2	2,200,000	2,824
1970	78.6	14,300	18.1	2,200,000	2,798
1971	79.1	14,200	18.0	2,300,000	2,908

Sources: Bureau of Labor Statistics; National Safety Council.



TOTAL ECONOMIC LOSS RESULTING FROM ACCIDENTS AT WORK

The total cost of work accidents includes direct costs, such as wages lost and medical expenses, as well as indirect loss resulting from damage to equipment and materials, production delays, time lost by other workers not involved in the accident, and the administrative costs of insurance.

A steady increase in this cost should be interpreted in terms of what has happened in our economy during the last 25 years. Specifically, the total work force has increased steadily while the value of the dollar has just as steadily declined. Applying these factors in terms of a constant 1967 dollar, the cost of occupational accidents averaged $85.42 per worker in 1971 as compared to $68.19 per worker in 1947.

Economic Losses * from Work Accidents in the United States 1947-1971

Year	Economic Loss	Year	Economic Loss
1947	$2,600,000,000	1959	$4,200,000,000
1948	2,650,000,000	1960	4,400,000,000
1949	2,600,000,000	1961	4,600,000,000
1950	2,500,000,000	1962	4,800,000,000
1951	not available	1963	5,000,000,000
1952	2,900,000,000	1964	5,200,000,000
1953	3,150,000,000	1965	5,400,000,000
1954	3,200,000,000	1966	6,000,000,000
1955	3,500,000,000	1967	6,400,000,000
1956	3,750,000,000	1968	7,000,000,000
1957	4,000,000,000	1969	8,000,000,000
1958	3,900,000,000	1970	8,000,000,000
		1971	8,200,000,000

* *Figures do not include direct losses in business fires.*

Sources: National Safety Council; Bureau of Labor Statistics.

AIRCRAFT ACCIDENTS

Accidents involving commercial or private aircraft took an estimated 1,525 lives in 1971, 125 more than in 1970.

Private planes were involved in 1.27 accidents per million miles flown in 1971, compared with 2.46 accidents per million miles in 1962. The accident rate per million miles flown by commercial airlines was 0.18 compared with .059 in 1962. Over the same period, the fatal accident rate for commercial airlines dropped from .008 to .002.

Commercial Aircraft Accidents
1962-1971

Year	Miles Flown	Accidents	Fatalities
1962	1,170,374,000	70	330
1963	1,231,312,000	77	264
1964	1,336,867,000	79	238
1965	1,536,395,000	83	261
1966	1,768,458,000	75	272
1967	2,179,739,000	70	286
1968	2,498,848,000	71	349
1969	2,736,596,000	63	158
1970	2,684,552,000	55	146
1971	2,599,000,000	47	203

Private Aircraft Accidents
1962-1971

Year	Miles Flown	Accidents	Fatalities
1962	1,964,586,000	4,840	857
1963	2,048,574,000	4,690	893
1964	2,180,818,000	5,069	1,083
1965	2,562,380,000	5,196	1,029
1966	3,336,138,000	5,712	1,149
1967	3,439,964,000	6,115	1,333
1968	3,740,000,000	4,968	1,399
1969	3,926,461,000	4,767	1,495
1970	3,200,000,000	4,640	1,254
1971	3,700,000,000	4,686	1,322

Source: National Transportation Safety Board, Department of Transportation (1971 figures are preliminary estimates).

BOATING ACCIDENTS BY STATE

Boating accidents in the United States in 1971 took 1,582 lives, injured nearly 900 persons and caused property damage in excess of $9 million. The Coast Guard reported that 1,472 of the victims were drowned. Of the drowning victims, 258 did not have lifesaving devices available and 486 had such devices available but failed to use them.

BOATING ACCIDENTS BY STATE
1971

State	Accidents	Fatalities	Injuries	Property Damage
Alabama	91	46	25	$ 141,300
Alaska	64	60	0	74,100
Arizona	51	12	14	63,900
Arkansas	15	13	7	6,700
California	566	138	82	3,133,100
Colorado	21	8	1	22,200
Connecticut	51	19	29	62,500
Delaware	5	4	0	1,100
District of Columbia	5	3	1	500
Florida	284	90	82	627,700
Georgia	48	28	17	120,700
Hawaii	15	2	0	64,800
Idaho	18	18	5	11,400
Illinois	80	33	34	77,200
Indiana	16	21	4	7,000
Iowa	42	15	10	32,700
Kansas	39	8	6	30,900
Kentucky	13	6	5	13,100
Louisiana	81	53	20	76,700
Maine	63	36	6	118,500
Maryland	145	50	31	847,300
Massachusetts	62	42	20	110,800
Michigan	191	77	47	138,600
Minnesota	76	37	16	35,800
Mississippi	41	40	6	114,300
Missouri	106	37	27	247,700
Montana	11	12	1	4,600
Nebraska	17	5	5	13,100
Nevada	53	11	8	106,500
New Hampshire	4	3	1	200
New Jersey	188	35	32	387,100
New Mexico	5	2	1	2,600
New York	318	90	87	431,900
North Carolina	83	42	29	76,400
North Dakota	3	0	4	3,000
Ohio	97	35	21	130,500
Oklahoma	32	24	15	17,400
Oregon	68	31	14	56,300
Pennsylvania	80	31	35	94,200
Rhode Island	28	2	9	109,400
South Carolina	78	41	21	78,300
South Dakota	12	12	1	1,900
Tennessee	18	22	1	25,500
Texas	201	113	33	251,200
Utah	53	3	6	60,900
Vermont	1	1	0	
Virginia	84	30	23	251,000
Washington	121	73	22	620,200
West Virginia	12	7	4	3,900
Wisconsin	122	53	25	70,000
Wyoming	23	4	3	17,100
Puerto Rico	3	1	0	2,100
Vir. Islands	5	3	1	26,100
Totals	3,909	1,582	897	$9,022,000

Source: U. S. Coast Guard

CRIMES AGAINST PROPERTY

Business and industry are major victims as crimes against property continue to soar in the U.S. While the Federal Bureau of Investigation said recorded dollar losses from the major crimes of robbery, burglary, larceny ($50 and over) and auto theft totaled more than $2.16 billion in 1971, other sources placed the overall cost of crime much higher.

A staff report of the U.S. Department of Commerce early in 1972 estimated the cost of crime to business alone at almost $16 billion, including $3.3 billion spent in private prevention efforts. The report showed this further breakdown: retailing, $4.8 billion; manufacturing, $1.8 billion; wholesaling, $1.4 billion; services, $2.7 billion; transportation, $1.5 billion; arson, $.2 billion.

Cargo thefts alone, according to an estimate of a Senate small business subcommittee, totaled some $1.5 billion in 1971, including $900 million in truck cargo, $250 million in railroad cargo, $210 million in marine cargo and $110 million in air cargo.

Other sources estimate that losses to embezzlers and other persons who misappropriate property of their employers range between $2 and $3 billion a year.

Crime against property reported by the FBI in 1971 included:

ROBBERY (from the person by force or violence or by putting in fear): 385,910 offenses; property loss $87 million.

BURGLARY (breaking and entering): 2,368,400 offenses; property loss $739 million.

LARCENY (of goods valued at $50 or more): 1,875,200 offenses; property loss $461 million.

AUTOMOBILE THEFT: 941,600 offenses; property loss $878 million.

Crimes Against Property, 1962-1971*

Year	Robbery	Burglary	Larceny
1962	110,390	978,200	573,100
1963	115,980	1,068,800	648,500
1964	129,830	1,193,600	732,000
1965	138,100	1,261,800	792,300
1966	157,250	1,391,900	896,500
1967	201,970	1,611,100	1,049,300
1968	261,620	1,835,000	1,273,800
1969	297,460	1,956,400	1,527,800
1970	348,240	2,176,600	1,749,800
1971	385,910	2,368,400	1,875,200

* *For additional data on automobile thefts, see pages 61 and 62.*

Source: Federal Bureau of Investigation.

AUTOMOBILE THEFTS

Automobile thefts in the United States reached an estimated 941,600 in 1971—an average of one every 33 seconds and an increase of 2 per cent over 1970. In 1952, one out of every 204 registered cars was stolen. In 1971, the ratio was one in every 98.

Police estimate that 80 to 85 per cent of all cars stolen are taken by non-professional thieves, mainly juveniles, for transportation or personal profit from the sale of the cars or parts. Although 84 per cent of all stolen vehicles are recovered, an estimated 30 per cent of the recovered cars have been damaged or stripped of parts—many to the extent that they represent total losses.

Auto Registration and Thefts
1952-1971

Year	Passenger Car Registrations	Thefts	Ratio of Cars Stolen/Regist.
1952	43,823,097	215,310	1 in 204
1953	46,429,270	226,530	1 in 205
1954	48,468,418	215,940	1 in 225
1955	52,144,739	227,150	1 in 230
1956	54,210,901	263,720	1 in 206
1957	55,917,897	265,178	1 in 211
1958	56,890,558	282,787	1 in 201
1959	59,453,984	293,779	1 in 202
1960	61,682,304	325,900	1 in 189
1961	63,417,358	333,700	1 in 190
1962	66,108,282	364,300	1 in 181
1963	69,055,428	405,400	1 in 170
1964	71,982,740	469,500	1 in 153
1965	75,260,847	493,400	1 in 153
1966	78,315,000	557,300	1 in 141
1967	81,051,000	655,200	1 in 124
1968	83,698,100	778,200	1 in 108
1969	87,153,381	872,400	1 in 100
1970	89,861,000	921,900	1 in 97
1971	92,082,000	941,600	1 in 98

Sources: Federal Bureau of Investigation, Bureau of Public Roads.

AUTO THEFTS BY STATE

Thirty states recorded increases in automobile thefts in 1971 as compared to 1970. Numerically, the greatest increase occurred in California, where 6,861 more cars were stolen in 1971 than in 1970. Massachusetts had 6,754 more cars stolen. The greatest decrease, 4,284, was recorded in Illinois.

Estimated Number of Auto Thefts by State
1970-1971

State	1970	1971	% Change
Alabama	7,696	7,696	—
Alaska	1,666	1,636	−1.8
Arizona	8,883	8,336	−6.2
Arkansas	2,096	2,186	4.3
California	137,514	144,375	5.0
Colorado	12,988	12,895	−.7
Connecticut	14,682	16,611	13.1
Delaware	3,064	3,263	6.5
District of Columbia	11,158	8,770	−21.4
Florida	26,930	27,652	2.7
Georgia	14,164	14,078	−.6
Hawaii	4,474	4,476	—
Idaho	1,028	1,219	18.6
Illinois	57,551	53,267	−7.4
Indiana	22,275	20,229	−9.2
Iowa	4,945	4,372	−11.6
Kansas	5,772	5,504	−4.6
Kentucky	11,150	10,905	−2.2
Louisiana	14,016	14,786	5.5
Maine	1,452	1,419	−2.3
Maryland	21,478	21,072	−1.9
Massachusetts	49,955	56,709	13.5
Michigan	41,184	44,793	8.8
Minnesota	13,153	13,314	1.2
Mississippi	1,737	2,213	27.4
Missouri	25,156	23,848	−5.2
Montana	1,540	1,572	2.1
Nebraska	4,331	3,850	−11.1
Nevada	3,229	3,074	−4.8
New Hampshire	1,269	1,402	10.5
New Jersey	39,957	42,346	6.0
New Mexico	3,983	4,599	15.5
New York	124,092	126,051	1.6
North Carolina	7,653	7,669	.2
North Dakota	562	542	−3.6
Ohio	52,488	53,501	1.9
Oklahoma	7,049	7,264	3.1
Oregon	6,961	7,790	11.9
Pennsylvania	40,107	43,086	7.4
Rhode Island	8,158	9,402	15.2
South Carolina	6,385	5,529	−13.4
South Dakota	624	558	−10.6
Tennessee	11,353	12,111	6.7
Texas	44,153	42,289	−4.2
Utah	3,350	3,608	7.7
Vermont	551	637	15.6
Virginia	13,824	13,867	.3
Washington	12,335	11,874	−3.7
West Virginia	1,612	1,942	20.5
Wisconsin	9,614	10,771	12.0
Wyoming	547	618	13.0

Source: Federal Bureau of Investigation.

BOMBING INCIDENTS IN THE U.S.

Property damage from 2,011 bombing incidents throughout the United States during 1971 was estimated by the National Bomb Data Center well in excess of $10.4 million. The Center pointed out that the total property loss "certainly was much higher" than that because damage estimates for some states were not available.

BOMBING INCIDENTS BY STATE, 1971

State	Incidents	Property Damage
Alabama	16	$ 500,000
Alaska	1	No estimate
Arizona	20	6,300
Arkansas	None	None
California	528	3,235,727
Colorado	34	52,910
Connecticut	16	3,250
Delaware	6	5,500
District of Columbia	16	315,100
Florida	128	236,364
Georgia	142	1,072,710
Hawaii	2	125
Idaho	5	1,375
Illinois	78	361,900
Indiana	26	22,650
Iowa	15	6,200
Kansas	15	2,300
Kentucky	3	5,700
Louisiana	29	950
Maine	2	No estimate
Maryland	43	94,880
Massachusetts	22	126,290
Michigan	103	342,000
Minnesota	32	23,890
Mississippi	1	No estimate
Missouri	44	57,375
Montana	4	250
Nebraska	4	7,000
Nevada	7	350
New Hampshire	1	No estimate
New Jersey	66	20,588
New Mexico	22	15,000
New York	172	695,602
North Carolina	46	681,990
North Dakota	2	No estimate
Ohio	130	848,164
Oklahoma	20	58,055
Oregon	19	13,300
Pennsylvania	35	249,729
Puerto Rico	13	869,130
Rhode Island	10	No estimate
South Carolina	2	No estimate
South Dakota	None	None
Tennessee	27	126,615
Texas	33	14,730
Utah	5	1,250
Vermont	3	50
Virginia	16	615
Washington	20	92,400
West Virginia	6	250,000
Wisconsin	20	8,950
Wyoming	1	No estimate

Source: National Bomb Data Center.

BUSINESS FAILURE TRENDS

Business failures in the United States dropped slightly in 1971. However, dollar liabilities involved in the failures edged up about 1.5 per cent, to nearly $1.92 billion.

A sizable percentage of losses due to business failure could have been covered by use of credit insurance. Credit insurance protects a manufacturer or wholesaler when title to merchandise has been transferred to a customer who has not yet paid for it. Payment is made by the insurance company if the account proves uncollectible because of business failure.

Business Failure Trends—1947-1971

Year	Number of Failures	Total Failure Liabilities	Failure Rate Per 10,000 Businesses	Average Liability Per Failure
1947	3,474	$ 204,612,000	14	$ 58,898
1948	5,250	234,620,000	20	44,690
1949	9,246	308,109,000	34	33,323
1950	9,162	248,283,000	34	27,099
1951	8,058	259,547,000	31	32,210
1952	7,611	283,314,000	29	37,224
1953	8,862	394,153,000	33	44,477
1954	11,086	462,628,000	42	41,731
1955	10,969	449,380,000	42	40,968
1956	12,686	562,697,000	48	44,356
1957	13,739	615,293,000	52	44,784
1958	14,964	728,258,000	56	48,667
1959	14,053	692,808,000	52	49,300
1960	15,445	938,630,000	57	60,772
1961	17,075	1,090,123,000	64	63,843
1962	15,782	1,213,601,000	61	76,898
1963	14,374	1,352,593,000	56	94,100
1964	13,501	1,329,223,000	53	98,454
1965	13,514	1,321,666,000	53	97,800
1966	13,061	1,385,659,000	52	106,091
1967	12,364	1,265,227,000	49	102,332
1968	9,636	940,996,000	39	97,654
1969	9,154	1,142,113,000	37	124,767
1970	10,748	1,887,754,000	44	175,638
1971	10,326	1,916,929,000	42	185,641

Source: Dun & Bradstreet, Inc.,

BACKGROUND REFERENCE 4

HOW RATES ARE MADE

The basic principle of insurance is the *sharing of risks*. In other words, many persons make small contributions—or premiums—as a safeguard against severe loss or financial hardship in the event of a traffic accident, a fire or other misfortune.

Since the birth of the insurance concept hundreds of years ago, its sole objective has been to provide security—security of purse to victims of storm, fire or other peril, and security (or peace) of mind to those fortunate enough not to sustain a loss. But where early-day insurers were forced to rely largely on judgment in the assessing of fees for their services, today's highly advanced professionals have the benefit of years of experience upon which to draw in the development of rate structures which reflect varying degrees of risks—or the loss potential—of the many persons or interests they are called upon to insure.

In fire insurance, for example, it is recognized that the chances of a "fire-resistive" factory being destroyed by fire are far smaller than the chances of a wooden factory burning down, other conditions being similar. In automobile insurance, it is recognized that persons who regularly drive their cars to work through rush-hour traffic are exposed to greater hazard than persons who drive only for pleasure in the same city or community. The rates vary accordingly.

For the major lines of property and liability insurance, the rates vary from state to state and even from community to community, depending on the accident record of local motorists, the extent of fire protection available for property owners, etc. But while many such factors are considered in ratemaking, rates basically are dependent on two primary factors:

1. The frequency of claims (which generally parallels the frequency of such occurrences as auto accidents, fires and thefts).
2. The cost of each claim (which in turn is affected by inflationary and other considerations).

In their periodic reviews of rates, the companies use this "loss experience" of the immediate past, supplemented by factors reflecting economic trends, as a guide to the amount they will need to pay claims in the immediate future and to defray the usual costs of doing business.

AUTOMOBILE FINANCIAL RESPONSIBILITY LAWS

Every state has a law on its books, commonly known as a financial responsibility law, under which a person involved in an automobile accident may be required to furnish proof of financial responsibility (usually done in the form of automobile liability insurance) up to certain minimum dollar limits. The provinces of Canada have similar laws. Mexico has no financial responsibility law as such, but requires an auto liability insurance policy written with a Mexican company. Delaware, Massachusetts, New York and North Carolina have laws requiring their registered car owners to have liability insurance. A Florida law requires all car owners or registrants to have auto insurance or to maintain some other form of security approved by the Department of Insurance. In Connecticut, Maryland and New Jersey, laws requiring registered car owners to have automobile liability insurance become effective January 1, 1973.

The existence of the financial responsibility laws, along with the ever-present threat of a financially-crippling judgment in the event of an accident, has come to make the possession of automobile liability insurance a virtual necessity for most motorists.

Nevertheless, no company is obligated to underwrite doubtful risks or motorists whose poor driving records label them as obviously bad insurance risks. To make it possible for such persons to obtain at least a minimum amount of liability coverage, the companies which write that form of insurance participate in "assigned risk" plans (in a growing number of states they are referred to as "automobile insurance plans") operative in the 50 states, the District of Columbia and Puerto Rico. Each company agrees to accept a quota of assigned risks proportionate to its total premium income from automobile liability insurance.

AUTOMOBILE FINANCIAL RESPONSIBILITY LAWS IN THE UNITED STATES AND CANADA

UNITED STATES State	Liability* Limits
Alabama	10/20/5
Alaska	15/30/5
Arizona	10/20/5
Arkansas	10/20/5
California	15/30/5
Colorado	15/30/5
Connecticut	20/40/5
Delaware	10/20/5
District of Columbia	10/20/5
Florida	10/20/5[1]
Georgia	10/20/5
Hawaii	10/20/5
Idaho	10/20/5
Illinois	10/20/5
Indiana	15/30/10
Iowa	10/20/5
Kansas	15/30/5
Kentucky	10/20/5
Louisiana	5/10/1
Maine	20/40/10
Maryland	15/30/5
Massachusetts	5/10/5
Michigan	20/40/10
Minnesota	10/20/5
Mississippi	10/20/5
Missouri	10/20/5
Montana	10/20/5
Nebraska	10/20/5
Nevada	15/30/5
New Hampshire	20/40/5
New Jersey	10/20/5[2]
New Mexico	10/20/5
New York	10/20/5
North Carolina	10/20/5
North Dakota	10/20/5
Ohio	12.5/25/7.5
Oklahoma	5/10/5
Oregon	10/20/5
Pennsylvania	10/20/5
Rhode Island	10/20/5
South Carolina	10/20/5
South Dakota	15/30/10
Tennessee	10/20/5
Texas	10/20/5
Utah	10/20/5
Vermont	10/20/5
Virginia	20/30/5
Washington	15/30/5
West Virginia	10/20/5
Wisconsin	15/30/5
Wyoming	10/20/5

CANADA	Liability* Limits
Alberta	$35,000 inclusive**
British Columbia	$50,000 inclusive
Manitoba	$50,000 inclusive
New Brunswick	$35,000 inclusive
Newfoundland	$35,000 inclusive
Nova Scotia	$35,000 inclusive
Ontario	$50,000 inclusive
Prince Edward Island	$35,000 inclusive
Quebec	$35,000 inclusive
Saskatchewan	$35,000 inclusive
Northwest Territories	$35,000 inclusive
Yukon	$50,000 inclusive

* *The first two figures refer to bodily injury liability limits and the third figure to property damage liability. For example, 10/20/5 means coverage up to $20,000 for all persons injured in an accident, subject to a limit of $10,000 for one individual; and $5,000 coverage for property damage.*

** *The "inclusive" limit means there is $35,000 of liability insurance available to settle either bodily injury or property damage claims—or both—up to that amount.*

[1] *25/25/5 after July 1, 1973.*

[2] *15/30/5 after Jan. 1, 1973.*

Source: American Insurance Association.

STATE FAIR PLANS

A property insurance plan activated by insurance companies nearly a decade ago set the pattern for a government-industry program instituted in 1968 to make fire and extended coverage insurance readily available to persons who have difficulty obtaining such coverage. Through Fair Access to Insurance Requirements (FAIR) facilities, properties are inspected and coverage is then guaranteed unless the property is dangerously deteriorated or hazardous conditions exist.

The FAIR Plan program was established under the omnibus housing act of 1968. The law provides for a federal government backup through the sale of reinsurance to the companies. As of July, 1972, FAIR Plan facilities were operative in 26 states, the District of Columbia and Puerto Rico. The names and addresses of the facilities are listed below.

For information on the amount of insurance coverage provided by FAIR Plans, see pages 23 and 24.

Name of Facility	Address
California FAIR Plan Association	1930 Wilshire Blvd., Los Angeles, Calif. 90057
Connecticut Insurance Placement Facility	217 Farmington Ave., Hartford, Conn. 06105
Insurance Placement Facility of Delaware	Public Ledger Bldg., Philadelphia, Pa. 19106
District of Columbia Insurance Placement Facility	733 15th St., N.W., Washington, D.C. 20005
Georgia Property Insurance Facility	P.O. Box 29851, Atlanta, Ga. 30329
Illinois FAIR Plan Association	175 W. Jackson Blvd., Chicago, Ill. 60604
Indiana Basic Property Insurance Underwriting Association	143 N. Meridian St., Indianapolis, Ind. 46204
Iowa FAIR Plan	Insurance Exchange Bldg., Des Moines, Iowa 50309
Kansas All-Industry Placement Facility	625 Polk St., Topeka, Kan. 66603
Kentucky Property Insurance Placement Facility	940 Starks Bldg., Louisville, Ky. 40202
Louisiana Joint Reinsurance Association	P.O. Box 60730, New Orleans, La. 70160
Joint Insurance Association (Maryland)	1 East Redwood St., Baltimore, Md. 21202
Massachusetts Property Insurance Underwriting Association	P. O. Box 2057, Boston, Mass. 02106
Michigan Basic Property Insurance Association	P. O. Box 2719, Detroit, Mich. 48231
Minnesota Property Insurance Placement Facility	12 S. Sixth St., Minneapolis, Minn. 55402
Missouri Property Insurance Placement Facility	730 Pierce Bldg., St. Louis, Mo. 63102
New Jersey Insurance Underwriting Association	744 Broad St., Newark, N.J. 07102
New Mexico Property Insurance Program	P. O. Box 8351, Station C, Albuquerque, N.M. 87108
New York Property Insurance Underwriting Association	130 William St., New York, N.Y. 10038
North Carolina Insurance Placement Facility	P.O. Box 1267, Raleigh, N.C. 27602
Ohio FAIR Plan Underwriting Association	P.O. Box 1290, Columbus, Ohio 43216
Oregon Property Insurance Placement Facility	P.O. Box 3313, Salem, Ore. 97302
Insurance Placement Facility of Pennsylvania	Public Ledger Bldg., Philadelphia, Pa. 19106
Puerto Rico Fire and Allied Lines Underwriting Association	P.O. Box 1333, San Juan, P.R. 00902
Rhode Island Joint Reinsurance Association	198 Dyer St., Providence, R.I. 02903
Virginia Insurance Placement Facility	700 East Main Building, Richmond, Va. 23219
Washington FAIR Plan	809 Alaska Bldg., Seattle, Wash. 98104
Wisconsin Insurance Plan	615 E. Michigan St., Milwaukee, Wis. 53202

Source: Insurance Services Office.

THE REGULATION OF INSURANCE

The business of property and liability insurance is subject to two powerful forms of control: the intensity of competition which exists among thousands of agents and hundreds of companies—not one of which enjoys a monopoly or an exclusive franchise—and formal regulation at the state level.

As a business which is inherently linked with the public interest, property and liability insurance is closely regulated by designated authorities in every state and other jurisdiction. Although there is some variance in the procedures for reviewing and effectuating the rates which policyholders pay for the many kinds of property and liability insurance, the regulatory authorities in each jurisdiction have a common responsibility in the public interest: to make sure that the rates are not inadequate, excessive or unfairly discriminatory.

In essence, the basic charge to which the regulatory authorities of the states are committed is to assure the continued solvency of each company in order that it might be ready to discharge its obligations to policyholders, to ascertain that customers are neither overcharged nor unfairly discriminated against, and to regulate the business in a way that will encourage the companies to make essential insurance protection as readily available to the public as is practicable.

THE STATE REGULATORY AUTHORITIES

Alabama: John G. Bookout, Commissioner of Insurance, Administrative Building, Montgomery, Alabama 36104.

Alaska: C. A. Drake, Director of Insurance, Pouch "D", Juneau, Alaska 99801.

Arizona: Millard Humphrey, Director of Insurance, 1601 West Jefferson, Phoenix, Arizona 85007.

Arkansas: A. Gene Sykes, Insurance Commissioner, 12th & University Avenue, Little Rock, Arkansas 72204.

California: Richards D. Barger, Insurance Commissioner, 107 South Broadway, Los Angeles, California 90012.

Colorado: J. Richard Barnes, Commissioner of Insurance, 106 State Office Building, Denver, Colorado 80203.

Connecticut: Paul B. Altermatt, Insurance Commissioner, 425 State Office Building, Hartford, Connecticut 06115.

Delaware: Robert A. Short, Insurance Commissioner, 21 The Green, Dover, Delaware 19901.

District of Columbia: Edward P. Lombard, Superintendent of Insurance, 614 H Street, N.W., Suite 512, Washington, D.C. 20001.

Florida: Thomas D. O'Malley, Insurance Commissioner, State Capitol, Tallahassee, Florida 32304.

Georgia: Johnnie L. Caldwell, Insurance Commissioner, 238 State Capitol, Atlanta, Georgia 30334.

Guam: Joaquin G. Blaz, Insurance Commissioner, P.O. Box 2796, Agana, Guam 96910.

Hawaii: Edwin H. Honda, Insurance Commissioner, P.O. Box 3614, Honolulu, Hawaii 96811.

Idaho: Robert Hay, Commissioner of Insurance, 207 State House, Boise, Idaho 83707.

Illinois: James Baylor, Director of Insurance, 160 N. LaSalle Street, Room 1600, Chicago, Illinois 60601.

Indiana: Oscar H. Ritz, Commissioner of Insurance, 509 State Office Building, Indianapolis, Indiana 46204.

Iowa: William H. Huff III, Commissioner of Insurance, Lucas State Office Building, Des Moines, Iowa 50319.

Kansas: Fletcher Bell, Commissioner of Insurance, State House, Topeka, Kansas 66612.

Kentucky: Harold B. McGuffey, Insurance Commissioner, Old Capitol Annex, Frankfort, Kentucky 40601.

Louisiana: Sherman Bernard, Commissioner of Insurance, P.O. Box 44214, Capitol Station, Baton Rouge, Louisiana 70804.

Maine: Frank M. Hogerty, Jr., Insurance Commissioner, Capitol Shopping Center, Augusta, Maine 04330.

Maryland: Thomas J. Hatem, Insurance Commissioner, One South Calvert Street, Baltimore, Maryland 21201.

Massachusetts: John G. Ryan, Commissioner of Insurance, 100 Cambridge Street, Boston, Massachusetts 02202.

Michigan: Russell E. Van Hooser, Commissioner of Insurance, 111 North Hosmer Street, Lansing, Michigan 48913.

Minnesota: Berton W. Heaton, Commissioner of Insurance, 210 State Office Building, St. Paul, Minnesota 55155.

Mississippi: Evelyn Gandy, Commissioner of Insurance, P.O. Box 79, Jackson, Mississippi 39205.

Missouri: William Y. McCaskill, Superintendent of Insurance, P.O. Box 690, Jefferson City, Missouri 65101.

Montana: Elmer V. Omholt, Commissioner of Insurance, Capitol Building, Helena, Montana 59601.

Nebraska: James M. Jackson, Director of Insurance, 1335 L Street, Lincoln, Nebraska 68509.

Nevada: Dick L. Rottman, Insurance Commissioner, Nye Building, Carson City, Nevada 89710.

New Hampshire: John A. Durkin, Insurance Commissioner, 2 Park Street, Concord, New Hampshire 03301.

New Jersey: Richard C. McDonough, Commissioner of Insurance, 201 East State Street, Trenton, New Jersey 08625.

New Mexico: R. F. Apodaca, Superintendent of Insurance, P.O. Drawer 1269, Santa Fe, New Mexico 87501.

New York: Benjamin R. Schenck, Superintendent of Insurance, 123 William Street, New York, New York 10038.

North Carolina: Edwin S. Lanier, Commissioner of Insurance, P.O. Box 26387, Raleigh, North Carolina 27611.

North Dakota: J. O. Wigen, Commissioner of Insurance, Capitol Building, Fifth Floor, Bismarck, North Dakota 58501.

Ohio: Kenneth E. DeShetler, Director of Insurance, 115 East Rich Street, Columbus, Ohio 43215.

Oklahoma: Joe B. Hunt, Insurance Commissioner, 408 Will Rogers Memorial Building, Oklahoma City, Oklahoma 73105.

Oregon: Lester L. Rawls, Insurance Commissioner, 158-12th Street, N.E., Salem, Oregon 97310.

Pennsylvania: Herbert S. Denenberg, Insurance Commissioner, 108 Finance Building, Harrisburg, Pennsylvania 17120.

Puerto Rico: Pedro J. Fernandez Badillo, Commissioner of Insurance, P.O. Box 3508, San Juan, Puerto Rico 00904.

Rhode Island: Peter F. Mullaney, Insurance Commissioner, 169 Weybosset Street, Providence, Rhode Island 02903.

South Carolina: John W. Lindsay, Insurance Commissioner, 2711 Middleburg Drive, Columbia, South Carolina 29204.

South Dakota: Ralph Nauman, Commissioner of Insurance, Pierre, South Dakota 57501.

Tennessee: Halbert L. Carter, Jr., Commissioner of Insurance, 114 State Office Building, Nashville, Tennessee 37219.

Texas: Clay Cotten, Commissioner of Insurance, 1110 San Jacinto Street, Austin, Texas 78701.

Utah: Clifton N. Ottosen, Commissioner of Insurance, 115 State Capitol, Salt Lake City, Utah 84114.

Vermont: Charles F. Black, Commissioner of Insurance, State Office Building, Montpelier, Vermont 05602.

Virginia: Everette S. Francis, Commissioner of Insurance, 700 Blanton Building, Richmond, Virginia 23209.

Washington: Karl V. Herrmann, Insurance Commissioner, Insurance Building, Olympia, Washington 98501.

West Virginia: Samuel H. Weese, Insurance Commissioner, 1800 Washington Street, E., Charleston, West Virginia 25305.

Wisconsin: Stanley C. DuRose, Commissioner of Insurance, 212 N. Bassett Street, Madison, Wisconsin 53703.

Wyoming: Ben S. Murphy, Insurance Commissioner, P.O. Box 1208, Cheyenne, Wyoming 82001.

DEFINITIONS

Property Insurance: Provides financial protection against loss or damage to the insured's property caused by such perils as fire, windstorm, hail, explosion, riot, aircraft, motor vehicles, vandalism, malicious mischief, riot and civil commotion, and smoke.

Liability Insurance: Provides protection for the insured against loss arising out of his legal liability resulting from injuries to other persons or damage to their property.

Life Insurance: This form of insurance provides for payment of a specified amount on the insured's death, either to his estate or to a designated beneficiary; or in the case of an endowment policy, to the insured himself at a specified date.

Accident and Health Insurance: A type of coverage that pays benefits, including reimbursement for loss of income, in case of sickness, accidental injury or accidental death.

Actual Cash Value: Theoretically the cost of repairing or replacing the damaged property with other of like kind and quality in the same physical condition; commonly defined as replacement cost less depreciation.

Agent: The *independent agent* is an independent businessman who represents two or more insurance companies under contract in a sales and service capacity and who is paid on a commission basis. The *exclusive agent* represents only one company, usually on a commission basis. The *direct writer* is the salaried employe of a single company. Agents are licensed in the state or states in which they operate.

Allied Lines: A term for the lines that are allied with property insurance. These coverages provide protection against perils traditionally written by fire insurance companies, such as sprinkler leakage, water damage and earthquake.

Assets: All funds, property, goods, securities, rights of action or resources of any kind owned by an insurance company, less such items as are declared non-admissible by state laws, mainly deferred or overdue premiums.

Automobile Assigned Risk Plan: A program, operative in each state, under which automobile insurance is made available to persons who are unable to obtain such insurance in the voluntary market. In a growing number of states, these programs are referred to as "Automobile Insurance Plans."

Automobile Liability Insurance: Protection for the insured against loss arising out of his legal liability when his car injures others or damages their property.

Automobile Physical Damage Insurance: Coverage for damages or loss to automobile of policyholder, resulting from collision, fire, theft and other perils.

Boiler and Machinery Insurance: Coverage for loss arising out of the operation of pressure, mechanical and electrical equipment. It may cover loss suffered by the boiler and machinery itself and may include damage done to other property, as well as business interruption losses.

Broker: A marketing specialist who represents buyers of property and liability insurance and who deals with either agents or companies in arranging for the coverage required by the customer. Like the agent, the broker is licensed in the state or states in which he conducts his business.

Burglary and Theft Insurance: Protection for loss of property due to burglary, robbery or larceny.

Business Interruption Insurance: Coverage for loss of earnings in case the policyholder's business is shut down by fire, windstorm, explosion or other insured peril.

Catastrophe: A severe loss, frequently causing widespread damage, resulting from hurricanes and other perils.

Coinsurance: A provision in an insurance policy which requires the insured to carry insurance equal to a certain specified percentage of the value of the property. It provides for the full payment, up to the amount of the policy, of all losses if the insurance carried is at least equal to that amount. Otherwise, payment would be only a percentage of the actual loss.

Commercial Multiple Peril Policy: A package type of insurance for the commercial establishment, that includes a wide range of essential coverages.

Comprehensive Personal Liability Insurance: A type of insurance that reimburses the policyholder if he becomes liable to pay money for damage or injury he has caused to others. This does not include automobile liability, but includes almost every activity of the insured except his business operations.

Credit Insurance: A guarantee to manufacturers, wholesalers and service organizations that they will be paid for goods shipped or services rendered. It is a guarantee of that part of their working capital represented by accounts receivable.

Crop-Hail Insurance: Protection for monetary loss resulting from hail damage to growing crops. Although hail is the basic peril named in crop-hail policies, a number of other perils are covered as well, depending on the crop and area.

Deductible Insurance: A method of coverage under which a policyholder agrees to contribute up to a specified sum per claim or per accident toward the total amount of the insured loss. Insurance is written on this basis at reduced rates.

Earthquake: A trembling of the earth, caused by faulting of the rocks or by volcanic shocks and often resulting in severe damage.

Extended Coverage Insurance: Protection for the insured against loss or damage to his property caused by windstorm, hail, smoke, explosion, riot, riot attending a strike, civil commotion, vehicle and aircraft. This is provided in conjunction with the fire insurance policy.

FAIR Plan: A facility, operating under a government-insurance industry cooperative program, to make fire and extended coverage insurance readily available to persons who have difficulty obtaining such coverage.

Fidelity Bond: A form of protection which reimburses an employer for losses caused by dishonest or fraudulent acts of his employes.

Fire Insurance: Coverage for losses caused by fire and lightning, plus resultant damage caused by smoke and water.

Flood Insurance: Coverage against loss resulting from the flood peril, widely available at low cost under a program developed jointly in 1968 by the private insurance industry and the federal government.

Glass Insurance: Protection for loss or damage to glass and its appurtenances by any cause except fire and war.

Group Insurance: Any insurance plan under which a number of employes and their dependents are insured under a single policy, issued to their employer, with individual certificates given to each insured employe. The most commonly written lines are life and accident and health.

Homeowners Policy: A package type of insurance for the homeowner that includes coverages ranging from fire and extended coverage, theft and personal liability to "all risk" coverages, all in a single policy.

Hurricane: A tropical storm with a wind velocity of 75 or more miles an hour.

Financial Responsibility Law: A law under which a person involved in an automobile accident may be required to furnish security up to certain minimum dollar limits. Each state has some form of such a law.

Inland Marine Insurance: A broad type of insurance, generally covering articles that may be transported from one place to another. The essential condition is that the insured property be movable, though bridges, tunnels and similar instrumentalities of transportation are also considered inland marine. It includes goods in transit (generally excepting trans-ocean) as well as numerous "floater" policies such as personal effects, personal property, jewelry, furs, fine arts and others.

Liability Limits: The stipulated sum or sums beyond which an insurance company is not liable to protect the insured.

Liability other than Automobile: A form of coverage that pertains, for the most part, to claims arising out of the insured's liability for injuries or damage caused by ownership of property, manufacturing operations, contracting operations, sale or distribution of products, and the operation of elevators and the like, as well as professional services.

Medical Payments Insurance: A coverage, available in various liability insurance policies, in which the insurer agrees to reimburse the insured and others, without regard for the insured's liability, for medical or funeral expenses incurred as the result of bodily injury or death by accident under the conditions specified in the policy.

Multiple Line Insurance: Policies that combine many perils previously covered by individual policies of fire and liability companies.

Ocean Marine Insurance: Coverage on all types of vessels, including liabilities connected with them, and on their cargoes.

Policyholders' Surplus: The sum of paid-in capital (if any) and net reported surplus, plus any special voluntary reserves.

Premium: The sum paid for an insurance policy. *Net premiums written* represent premium income retained by insurance companies, direct or through reinsurance, less payments made for business reinsured. *Direct written premiums* are the amounts actually paid by policyholders.

Reinsurance: Assumption by one insurance company of all or part of a risk undertaken by another insurance company.

Surety Bond: An agreement providing for monetary compensation should there be a failure to perform certain specified acts within a stated period. The surety company, for example, becomes responsible for fulfillment of a contract if the contractor defaults.

Tornado: A whirling wind, accompanied by a funnel-shaped cloud, very violent and destructive in a narrow path, often for many miles over the land.

Umbrella Liability: A form of insurance protection against losses in excess of amounts covered by other liability insurance policies; also protects the insured in many situations not covered by the usual liability policies.

Uninsured Motorist Protection: A form of insurance which covers the policyholder and members of his family if injured by a hit-and-run motorist or a driver who carries no liability insurance, assuming the other driver is at fault.

Workmen's Compensation Insurance: A method of providing for the cost of medical care and weekly payments to insured employes or to dependents of those killed in industry, regardless of blame for the accidents.

NATIONAL INSURANCE, SERVICE ORGANIZATIONS

The following are among the leading national organizations of or supported by insurance companies, or whose activities are closely related to the interests of insurance companies.

American Institute of Marine Underwriters, 99 John Street. New York, N.Y. 10038. Procures and furnishes information of interest to marine underwriters, and generally promotes the interest of those underwriters.

American Institute for Property and Liability Underwriters, Inc., 270 Bryn Mawr Avenue, Bryn Mawr, Pennsylvania 19010. Establishes educational standards for professional property and liability insurance underwriting; fosters training.

American Insurance Association, 85 John Street, New York, N.Y. 10038. Trade and service organization of the property and liability insurance industry; provides a forum for the discussion of problems; provides safety promotional and investigative services.

American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606. Trade association to facilitate cooperation among mutual fire and casualty insurance companies in matter of concern to them and their policyholders.

American Society of Insurance Management, Inc., 500 Fifth Avenue, New York, N.Y. 10036. Organization of corporate buyers of insurance, to make known to insurers the insurance needs of business and industry, support loss prevention and provide a forum for the discussion of common objectives and problems.

Casualty Actuarial Society, 200 East 42nd Street, New York, N.Y. 10017. Promotes actuarial and statistical science in all insurance fields except life.

College of Insurance, 150 William Street, New York, N.Y. 10038. Insurance industry-supported collegiate institution providing a complete curriculum leading to bachelor's and master's degrees in business administration and a bachelor of science degree in actuarial science.

Crop-Hail Insurance Actuarial Association, 209 West Jackson Boulevard, Chicago, Illinois 60606. Rating organization, statistical agent and research association for crop-hail insurance and rain insurance on public events, business ventures, and private proceedings.

Defense Research Institute, Inc., 1100 West Wells Street, Milwaukee, Wisconsin 53233. Service organization to improve the administration of justice and enhance the knowledge and improve the skills of defense lawyers.

Foreign Credit Insurance Association, 250 Broadway, New York, N.Y. 10007. Offers credit insurance facilities for U. S. exporters through cooperation of the insurance business and the Export-Import Bank of Washington.

General Adjustment Bureau, 123 William Street, New York, N.Y. 10038. National adjusting organization to handle all types of claims and losses for insurance companies.

Health Insurance Institute, 277 Park Avenue, New York, N.Y. 10017. Central source of health insurance information for public on behalf of insurance companies; monitors public attitudes and reactions to health insurance developments.

Inland Marine Underwriters Association, 99 John Street, New York, N.Y. 10038. Forum for discussion of problems of common concern to stock companies writing inland marine insurance business; makes recommendations dealing with forms, rating methods, rating levels and legislation.

Insurance Accounting and Statistical Association, 1005 West 39th Street, Kansas City, Mo. 64111. An international organization to promote the study, research and development of modern techniques in insurance accounting and statistics.

Insurance Crime Prevention Institute, 21 Charles Street, Westport, Conn. 06880. Serves casualty insurers for the investigation of fraudulent insurance claims, other than accident and health insurance claims and workmen's compensation claims, and provides a deterrent to such claims.

Insurance Information Institute. 110 William Street, New York, N.Y. 10038. An industry-sponsored public relations and educational organization for all lines of insurance except life and health insurance. It is supported by several hundred insurance companies and provides services on a fee basis to many major industry organizations.

Insurance Institute for Highway Safety, Watergate Six Hundred, 600 New Hampshire Avenue, N.W., Washington, D.C. 20037. Industry-wide traffic safety organization supported by automobile insurance companies.

Insurance Services Office, 160 Water Street, New York, N.Y. 10038. Provides a wide range of advisory, rating, actuarial, statistical and other services relating to property and casualty insurance, including the development of policy forms, rates, premiums and related services for multiple line coverages. Offers services, including research studies, to insurers or other persons or organizations.

Institute of Life Insurance, 277 Park Avenue, New York, N.Y. 10017. Responsible for the public relations aspects of the life insurance industry, plus collection, analysis and distribution of statistics.

Insurers Advisory Bureau, 733 Third Avenue, New York, N.Y. 10017. Rating and advisory organization for property and liability insurance. Services include development of underwriting rules, classifications and rates and acting as an agency for member and subscriber companies for the filing of rates, rating plans, schedules and forms in states requiring such filings. Formerly the Mutual Insurance Rating Bureau.

National Association of Casualty and Surety Agents, 5225 Wisconsin Avenue, N.W., Washington, D.C. 20015. A trade organization dedicated to safeguarding the public interest, preserving a competitive market, and working with others for the good of the insurance business and the public.

National Association of Independent Insurers, 30 West Monroe Street, Chicago, Ill. 60603. Trade association of fire, casualty and surety insurers.

National Association of Insurance Agents, Inc., 85 John Street, New York, N.Y. 10038. Trade association of independent insurance agents.

National Association of Insurance Brokers, Inc., Investment Building, 1511 K Street, N.W., Washington, D.C. 20005. Trade association of insurance brokers; represents brokers' interests before government bodies.

National Association of Insurance Commissioners, 633 Wisconsin Avenue, Suite 1815, Milwaukee, Wis., 53203. Organization of state insurance commissioners to promote uniformity in state supervision of insurance matters, and to recommend desirable legislation in the various state legislatures.

National Association of Insurance Women, 1847 East 15th Street, Tulsa, Okla. 74104. Fosters educational programs to broaden its members' knowledge of insurance. Promotes public safety and public service programs.

National Association of Mutual Insurance Agents, 640 Investment Building, Washington, D.C. 20005. Trade association of mutual insurance agents.

National Association of Mutual Insurance Companies, 2511 East 46th Street, Indianapolis, Ind. 46205. Provides a medium for the exchange of experience and assistance among mutual fire and casualty insurance companies. Cooperates with other mutual organizations in matters of common interest.

National Association of Surety Bond Producers, Inc., 5225 Wisconsin Avenue, N.W., Washington, D.C. 20015. A trade association of the leading surety bond producers in the United States, Canada and Puerto Rico.

National Automobile Theft Bureau, 30 East 42nd Street, New York, N.Y. 10017. Conducts stolen vehicle recovery and auto theft prevention activities on behalf of the insurance industry.

National Council on Compensation Insurance, 200 East 42nd Street, New York, N.Y. 10017. Develops and administers rating plans and systems for workmen's compensation insurance.

National Fire Protection Association, 60 Batterymarch Street, Boston, Massachusetts 02110. Clearing house for authoritative information on fire protection and prevention; provides fire safety standards; conducts public educational programs.

National Flood Insurers Association, 160 Water Street, New York, N.Y. 10038. A non-profit facility to research, develop and market flood insurance policies made possible through federal government-insurance industry cooperation.

National Safety Council, 425 North Michigan Avenue, Chicago, Illinois 60611. Provides national support and leadership in the field of safety; publishes and disseminates safety materials of all kinds; conducts an extensive public information and publicity program in support of safety.

Nuclear Energy Liability Insurance Association, 85 John Street, New York, N.Y. 10038. Organization of insurance companies which makes available insurance protection against radiation liability hazards related to nuclear reactor installations and their operations.

Nuclear Energy Property Insurance Association, 85 Woodland Street, Hartford, Connecticut 06102. Voluntary, non-profit unincorporated association through which property insurance protection is provided against hazards arising out of nuclear reactor installations and their operations.

Oil Insurance Association, 175 West Jackson Boulevard, Chicago, Ill. 60604. Provides coverage on oil, gas and petrochemical properties; furnishes fire protection and engineering counsel, and advises on general plant arrangement for maximum operating benefit consistent with minimum insurance rates.

Reinsurance Association of America, 1025 Connecticut Avenue, N.W., Washington, D.C. 20036. Trade association for companies principally engaged in writing property and casualty reinsurance. Provides general representation before government and insurance entities and conducts research into reinsurance practices.

Surety Association of America, 125 Maiden Lane, New York, N.Y. 10038. Statistical, rating, development and advisory organization and forum for surety companies.

Underwriters Adjusting Company, 224 South Wacker Drive, Chicago, Ill. 60606. Countrywide adjusting organization, with multiple line claims and loss facilities, for insurance companies and self-insureds.

Underwriters' Laboratories, Inc., 207 East Ohio Street, Chicago, Illinois 60611. Investigates and tests building materials and other products to determine that fire prevention and fire protection standards are being met.

Underwriters Salvage Company of Chicago, 1400 Busse Road, Elk Grove Village, Ill. 60007. Appraises and disposes of damaged merchandise for the benefit of insurance companies.

Underwriters Salvage Company of New York, 121 Sixth Avenue, New York, N.Y. 10013. Assists insurance companies in adjustment of losses through the reclamation, reconditioning and disposition of damaged merchandise.

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